

Cabinet

Tuesday 21 September 2010
Town Hall, Peckham Road, London SE5 8UB
7.00 pm

Membership

Councillor Peter John
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Dora Dixon-Fyle
Councillor John Friary
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Catherine McDonald
Councillor Abdul Mohamed
Councillor Veronica Ward

Portfolio

Leader of the Council
Deputy Leader and Housing Management
Regeneration and Corporate Strategy
Health and Adult Social Care
Community Safety
Environment, Transport and Recycling
Finance and Resources
Children's Services
Equalities and Community Engagement
Culture, Leisure, Sport and the Olympics

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

You have the right to request to inspect copies of minutes and reports on this agenda as well as the background documents used in the preparation of these reports.

Babysitting/Carers allowances

If you are a resident of the borough and have paid someone to look after your children, an elderly dependant or a dependant with disabilities so that you could attend this meeting, you may claim an allowance from the council. Please collect a claim form at the meeting.

Access

The council is committed to making its meetings accessible. Further details on building access, translation, provision of signers etc for this meeting are on the council's web site: www.southwark.gov.uk or please contact the person below.

Contact:

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

Members of the committee are summoned to attend this meeting

Councillor Peter John

Leader of the Council

Date: 13 September 2010



Item No.

Title

Page No.



Cabinet

Tuesday 21 September 2010
Town Hall, Peckham Road, London SE5 8UB
7.00 pm

Order of Business

Item No.

Title

Page No.

PART A - OPEN BUSINESS

MOBILE PHONES

Mobile phones should be turned off or put on silent during the course of the meeting.

1. APOLOGIES

To receive any apologies for absence.

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

In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.

Item No.	Title	Page No.
4.	PUBLIC QUESTION TIME (15 MINUTES)	
	To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules.	
5.	MINUTES	1 - 14
	To approve as a correct record the minutes of the open section of the meetings held on 20, 26 July and 9 August 2010.	
6.	TRANSFORMING ADULT SOCIAL CARE - PUTTING PEOPLE FIRST IN SOUTHWARK	15 - 33
	To agree to the implementation of 'personalisation' to deliver the vision for putting people first in Southwark.	
7.	5 TROSSACHS ROAD, SE22 AND 7 HAYLES STREET, SE11 - DISPOSAL OF FREEHOLD INTEREST	34 - 40
	To agree to the the disposal of the council's freehold interests in 5 Trossachs Road, SE22 and 7 Hayles Street, SE11.	
8.	APPROVAL OF THE COUNCIL'S TRANSPORT FOR LONDON FUNDED WORK PROGRAMME FOR 2011-12 AND INDICATIVE PROGRAMME 2013-14 FOR SUBMISSION TO TRANSPORT FOR LONDON	41 - 48
	To agree to the content of the council's proposed submission to Transport for London identifying transport projects to be delivered with the Transport for London Local Implementation Plan funding 2011/12 and the indicative programme of work for the years 2012/13 and 2013/14.	
9.	A FAIRER FUTURE FOR ALL IN SOUTHWARK - PRINCIPLES FOR BUDGET SETTING	49 - 50
	To agree principles relating to the budget setting process.	
10.	QUARTER 1 REVENUE MONITORING REPORT 2010-11	51 - 74
	To note the general fund outturn forecast for 2010/11 and the treasury management activity for the first quarter of 2010/11.	

Item No.	Title	Page No.
11.	CAPITAL PROGRAMME 2009-10 OUTTURN REPORT	75 - 92
	To note the outturn position for 2009/10 for the capital programme 2009/19 for both the general fund and housing investment programme and to approve the addition to the capital programme as set out in appendix C of the report, and to approve the re-profiling of spend and resources into the 2009/10 general fund capital programme.	
12.	CAPITAL PROGRAMME 2010-19 - QUARTER 1 MONITORING REPORT	93 - 103
	To note the current monitoring position for the capital programme 2010/11– 2018/19 for both the general fund and housing investment programme as at 30 June 2010 and to note that the additions into the programme of budgets relating to prior decisions and the movement of existing schemes between departments.	
13.	GATEWAY 1 - INITIAL PROCUREMENT STRATEGY, PARKING AND TRAFFIC ENFORCEMENT SERVICES CONTRACT	104 - 111
	To agree to further market testing to explore the range of issues set out in the report in respect of parking and traffic enforcement services.	
14.	SOUTHWARK MARKETS AND STREET TRADING STRATEGY 2010-2013	112 - 160
	To agree the Southwark Markets and Street Trading Strategy and the commencement of further consultation on changing the legislative framework from the London Local Authorities Act 1990 as amended and the relaxation of the existing five stall away rule.	
15.	REVIEW OF SOUTHWARK HOUSING GARAGE RENTS	161 - 173
	To agree to the introduction of a differential charging policy for garages to reflect different market conditions in the borough.	
16.	STREET CLUTTER OVERVIEW AND SCRUTINY REVIEW 2010 - CABINET MEMBERS RESPONSE TO COMMITTEE RECOMMENDATIONS	174 - 186
	To approve the proposals in the report resulting from overview and scrutiny committee recommendations.	

Item No.	Title	Page No.
-----------------	--------------	-----------------

- | | | |
|------------|---|-----------|
| 17. | SOUTHWARK COUNCIL FOOD STRATEGY REPORT - CABINET MEMBERS RESPONSE TO COMMITTEE RECOMMENDATIONS | 187 - 197 |
|------------|---|-----------|

To agree the proposed process and timeline for the food strategy.

- | | | |
|------------|---|-----------|
| 18. | MOTIONS REFERRED FROM COUNCIL ASSEMBLY | 198 - 207 |
|------------|---|-----------|

To consider motions referred from council assembly on the following:

- Southwark's response to the emergency budget
- Publication of spending on goods and services over £500
- Southwark Park and the Olympics
- Southwark Capital Programme
- Nursery Row Park

- | | | |
|------------|--|-----------|
| 19. | APPOINTMENTS TO OUTSIDE BODIES - SOUTH LONDON GALLERY BOARD OF TRUSTEES | 208 - 209 |
|------------|--|-----------|

To consider and agree appointments to the South London Gallery Board of Trustees.

DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING

EXCLUSION OF PRESS AND PUBLIC

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

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

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

PART B - CLOSED BUSINESS

- | | | |
|------------|----------------|--|
| 20. | MINUTES | |
|------------|----------------|--|

Item No.

Title

Page No.

To approve as a correct record the minutes of the closed section of the meetings held on 20 and 26 July 2010.

Date: 13 September 2010



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 20 July 2010 at 7.00 pm at the Town Hall, Peckham Road, London SE5 8UB

PRESENT: Councillor Peter John (Chair)
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Dora Dixon-Fyle
Councillor John Friary
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Catherine McDonald
Councillor Abdul Mohamed
Councillor Veronica Ward

1. APOLOGIES

Apologies for lateness were received from Councillors Veronica Ward and Barrie Hargrove.

(Councillor Veronica Ward arrived at 7.10pm and Councillor Barrie Hargrove 7.20pm)

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

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

Item 19 – Impact of 2010/11 Cross-Government Savings on Southwark Council

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

4. MINUTES

RESOLVED:

That the open minutes of the meeting held on 7 July 2010 be approved as a correct record and signed by the Chair.

5. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

6. REQUEST FOR A DEPUTATION - MAYDEW HOUSE RESIDENTS

The strategic director of regeneration and neighbourhoods circulated comments in respect of the deputation request.

RESOLVED:

That the deputation be heard.

The deputation spokesperson addressed the meeting outlining concerns relating to the options for Maydew House set out in the report with specific reference to the costs projected for refurbishment work to be undertaken and the issue of asbestos. The deputation advised that they did not want to leave their homes for this work to be undertaken and requested to be given more options before a conclusive decision was made about their future at Maydew House.

7. MAYDEW HOUSE - RESULTS FROM THE RESIDENTS' CONSULTATION

The strategic director of regeneration and neighbourhoods advised a correction to the report, that paragraph 129 should be deleted.

MOTION OF ADJOURNMENT

At 8.05pm, it was moved, seconded and

RESOLVED:

That the meeting stand adjourned for 10 minutes.

The meeting re-convened at 8.15pm.

RESOLVED:

That consideration of Maydew House be adjourned for a few weeks to a special meeting of the cabinet in order to receive further information in respect of the asbestos at the block, including an opportunity for cabinet members to question asbestos experts in person and to also consider the London Fire Brigade report at

the same time.

8. AYLESBURY PRIVATE FINANCE INITIATIVE HOUSING PROJECT - SUBMISSION OF THE INTERIM OUTLINE BUSINESS CASE (IOBC)

RESOLVED:

1. That the redevelopment strategy for the delivery of new homes and associated infrastructure on sites 1b, 1c, 8 and 9 that requires that sites 8 and 9 (formerly part of phase 3) are brought forward be confirmed.
2. That the submission of the interim outline business case (IOBC) for a housing revenue account (HRA) based private finance initiative (PFI) project in partial support of the delivery of social rented homes and associated infrastructure on Aylesbury sites 1b, 1c, 8 and 9 be agreed.
3. That the leader of the council delegate approval to the cabinet member for regeneration and corporate strategy to approve the final version of the interim outline business case (IOBC) to be submitted to the Homes and Communities Agency (HCA).
4. That the preparation of an outline business case (OBC) proceed subject to an acceptable outcome from the Homes and Communities Agency (HCA's) review of the interim outline business case (IOBC).
5. That the procurement approach of delivering intermediate and private for sale homes and associated infrastructure also located within sites 1b, 1c, 8 and 9 in line with the ability of the market to absorb these facilities be agreed in principle.
6. That in parallel with the above actions, alternative delivery vehicles for the sites comprising phase 2 and the remainder of phase 3 be explored further.
7. That officers report back to cabinet for a decision on the rehousing and purchasing the property interests of relevant leaseholders and on progress on the interim outline business case (IOBC) prior to its submission.

9. HOME AND COMMUNITIES AGENCY BOROUGH INVESTMENT PLAN

RESOLVED:

1. That a Borough Investment Plan be submitted to the Homes and Communities Agency (HCA), as part of the Single Conversation process, with a view to entering into a Borough Investment Agreement next year.
2. That the working draft of the Borough Investment Plan be approved in principle and, subject to any further refinement or amendment identified by members or as a result of further dialogue with Homes and Communities Agency (HCA) colleagues. That cabinet delegate the approval of these final amendments to the strategic director of regeneration and neighbourhoods in consultation with the cabinet member for

regeneration and corporate strategy and the deputy leader and cabinet member for housing management prior to submission to the Homes and Communities Agency.

3. That officers report back to cabinet on a regular basis on the progress of the Single Conversation process and the delivery programme that arises from it.

10. OUTCOME OF THE FINAL CONSULTATION PROCESS ON THE PROPOSED PERMANENT ENLARGEMENT OF LYNDHURST SCHOOL

RESOLVED:

That in the light of the outcome of the statutory consultation process the Lyndhurst Primary School's capacity be permanently enlarged from 315 to 420 pupils and that the school's admission number be increased from 45 to 60 pupils from 1 September 2010.

11. END OF YEAR BUSINESS REPORT 2009/10

RESOLVED:

That the end of year business report for 2009/10 (Appendix 1 to the report) be noted.

12. REVENUE OUTTURN - 2009/10

RESOLVED:

That the following be noted:

- the general fund outturn for 2009/10 and the net contribution to reserves
- that the favourable variance on the general fund will be taken to the modernisation reserve
- the housing revenue account's (HRA) outturn for 2009/10 and movement on reserves
- achievements of budgeted targets for the year for savings and
- the collection fund's year-end surplus balance.

13. SAFER SOUTHWARK PARTNERSHIP REVISED ROLLING PLAN

RESOLVED:

1. That the 2008/12 Safer Southwark Partnership (SSP) Rolling Plan and six priorities, as revised for 2010/11 be approved (see appendix 1 of the report).
2. That the performance improvements, which resulted in a reduction of total notifiable offences by 6% in 2009/10 compared to 2008/9 be noted.

14. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - FRAMEWORK CONTRACTS TO PROVIDE BAILIFF SERVICES TO THE REVENUES & BENEFITS AND PARKING SERVICES

RESOLVED:

That the procurement strategy outlined in the report for the creation of a framework of five suitable bailiff companies to provide legal enforcement and debt collection services to both the revenues & benefits service and parking services be approved. The framework to also be available to other parts of the council who may wish to call on the services provided within it. The framework to last for four years from 1 April 2011.

15. DE-CLUTTERING PROGRAMME REVIEW - REPORT OF SCRUTINY SUB-COMMITTEE B

Councillor Mark Glover attended the meeting to present the scrutiny report.

RESOLVED:

That the recommendations of the de-cluttering programme review undertaken by scrutiny sub-committee B (attached as appendix 1 to the report) be noted, and the cabinet member for environment, transport and recycling as lead cabinet member bring back a report to cabinet with a proposed response to the overview and scrutiny committee by 21 September 2010.

16. FOOD STRATEGY SCRUTINY REVIEW - REPORT OF SCRUTINY SUB-COMMITTEE B

Councillor Mark Glover attended the meeting to present the scrutiny report.

RESOLVED:

That the recommendations of the food strategy review undertaken by scrutiny sub-committee B (attached as appendix 1 to this report) be noted, and the cabinet member for environment, transport and recycling as lead cabinet member (in consultation with the cabinet members for children's services, regeneration and corporate strategy and health & adult care) bring back a report to cabinet with a proposed response to the overview and scrutiny committee by 21 September 2010.

17. GATEWAY 2: CONTRACT AWARD APPROVAL - CORPORATE INSURANCE PROCUREMENT (EXCLUDING PROPERTY INSURANCE)

RESOLVED:

1. That the award of the various elements of the corporate insurance contracts in 3 packages to 3 separate contractors, for three years from the 1 October 2010 be

approved.

2. That the leader of the council delegate approval to the cabinet member for finance and resources or the finance director, whichever is the most expedient, to exercise the council's options to extend the terms of the corporate insurance contracts for up to a maximum of two single years (1+1), subject to appropriate reviews and satisfactory performance.

18. CHILDREN'S RESIDENTIAL CARE

RESOLVED:

1. That the formal procurement process for the tendering of children's residential care is formally concluded and no provider be awarded the contract.
2. That the objectives of the children in care placement strategy as detailed within the report be agreed.
3. That the council's externally contracted children's residential home be closed as a result of the unsuccessful competitive tendering process which did not provide best value for the council and which resulted in unit costs above the Pan-London national average.
4. That as a result of the closure of the home formal approval be given to further extend the existing contract variation from 1 October 2010 to 1 November 2010 in order that the council has sufficient time to liaise with all partners and adhere to all statutory and legislative requirements.

19. IMPACT OF 2010/11 CROSS-GOVERNMENT SAVINGS ON SOUTHWARK COUNCIL

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item for reasons of urgency because of the significant level of reductions required for in-year grant funding and the need to commence action to manage and mitigate this.

RESOLVED:

1. That the strategic directors be instructed to work with cabinet members to manage and mitigate the impact of in-year grant reductions announced as part of the national emergency budget package.
2. That the clawback of the pay award inflation budget to corporate contingency, given the proposed 2010/11 pay freeze for public sector employees be noted.
3. That the finance director be instructed to ask strategic directors to identify savings of 25% over the three years 2011/12 – 2013/14 in line with the public sector spending cuts.
4. That strategic directors be instructed to report back to the finance director and

cabinet member for finance and resources on their progress in managing in-year reductions by the end of August. That cabinet agrees that the leader delegate authority to the cabinet member for finance and resources to consider at the point whether any of the £940,000 (as estimated in paragraph 28 of the report) that is being clawed back into corporate contingency should be used to offset any exceptional pressures arising from these reductions.

5. That the leader of the council be instructed to write to the Secretary of State explaining the impact of the potential cuts arising from the emergency budget on deprived inner-city boroughs like Southwark to enable the Secretary of State to make representations to the Treasury in the comprehensive spending review process. That the three borough Members of Parliament also be involved in making this representation.
6. That the finance director be instructed to put together plans for approval by the leader and cabinet member for finance and resources, for public consultation in the autumn on the impact of the emergency budget over the next four years on the council to seek the community's views on their priorities for services and savings.

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.

20. MINUTES

The closed minutes of the meeting held on 7 July 2010 were agreed as a correct record and signed by the Chair.

21. GATEWAY 2: CONTRACT AWARD APPROVAL - CORPORATE INSURANCE PROCUREMENT (EXCLUDING PROPERTY INSURANCE)

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

22. CHILDREN'S RESIDENTIAL CARE

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

The meeting ended at 9.30pm

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, 28 JULY 2010.

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



Cabinet

MINUTES of the OPEN section of the Cabinet held on Monday 26 July 2010 at 10.30 am at 160 Tooley Street, London SE1 2TZ

PRESENT: Councillor Peter John (Chair)
 Councillor Fiona Colley
 Councillor Richard Livingstone
 Councillor Abdul Mohamed
 Councillor Veronica Ward

1. APOLOGIES

Apologies for absence were received from Councillors Dora Dixon-Fyle, John Friary, Barrie Hargrove, Catherine McDonald and Ian Wingfield.

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

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

- Joint Venture Agreement (Development Agreement) between Southwark Council and Berkeley Homes plc in respect to the formation of the One Tower Partnership and the Development of Land at Potters Fields, London SE1 (open and closed report).

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Peter John declared a personal and non-prejudicial interest in the item relating to the Joint Venture Agreement as he lived near the development site.

4. JOINT VENTURE AGREEMENT (DEVELOPMENT AGREEMENT) BETWEEN SOUTHWARK COUNCIL AND BERKELEY HOMES PLC IN RESPECT TO THE FORMATION OF THE ONE TOWER PARTNERSHIP AND THE DEVELOPMENT OF LAND AT POTTERS FIELDS LONDON SE1

It was not possible to circulate this item five clear days in advance of the meeting. The chair agreed to accept the item for reasons of urgency as under the signed Heads of Terms, both parties had committed to act in good faith. In recognition of this commitment

and Berkeley Homes' submission of a planning application, it was essential that the council showed reciprocal commitment to the partnership. The next scheduled meeting of the council's cabinet was not until 21 September 2010 and as the planning application had been submitted and the Development Agreement finalised, the programme for bringing forward development would be affected adversely if the decision was delayed until September 2010. Also the council and Berkeley Homes both required certainty that the Development Agreement had been agreed before the required resources could be committed to bring forward development.

RESOLVED:

1. That a Joint Venture Agreement (Development Agreement) between Berkeley Homes (South East London) Ltd and the London Borough of Southwark (and other parties) relating to the formation of the One Tower Bridge Partnership and the development of land at Potters Fields London SE1 be entered into.
2. That the disposal of the council's interest in land as highlighted in orange diagonal lines on the plan attached at appendix 1 to the report be approved.
3. That it be noted that the Development Agreement is in accordance with the Heads of Terms as agreed at executive on 29 July 2009 and the executive decision on Future Options Co-Operation Agreement dated 19 March 2008.
4. That the reasons for the delegation to the chief executive not being exercised, as detailed in paragraph 13 of the report be noted.

EXCLUSION OF PRESS AND PUBLIC

It was moved, seconded and

RESOLVED:

That the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in categories 3 and 5 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.

5. **JOINT VENTURE AGREEMENT (DEVELOPMENT AGREEMENT) BETWEEN SOUTHWARK COUNCIL AND BERKELEY HOMES PLC IN RESPECT TO THE FORMATION OF THE ONE TOWER BRIDGE PARTNERSHIP AND THE DEVELOPMENT OF LAND AT POTTERS FIELDS LONDON SE1**

The cabinet considered the closed information relating to the Joint Venture Agreement (Development Agreement). See item 4 for decision.

The meeting ended at 10.57 am

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, MONDAY 2 AUGUST 2010.

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



Cabinet

MINUTES of the OPEN section of the Cabinet held on Monday 9 August 2010 at 7.00 pm at 160 Tooley Street, London SE1 2TZ

PRESENT: Councillor Peter John (Chair)
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Catherine McDonald

1. APOLOGIES

Apologies for absence were received from Councillors Dora Dixon-Fyle, John Friary, Abdul Mohamed and Veronica Ward.

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

There were no late items.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

4. DEPUTATION REQUEST - RESIDENTS OF MAYDEW HOUSE

RESOLVED:

That the deputation be heard.

The deputation spokesperson addressed the meeting reaffirming concerns relating to the consultation process, maintenance of MaydeW and the view that more options should be presented for consideration.

An opportunity was also provided for the technical expert commissioned by these residents, Mr. Tarling, to address the cabinet in respect of his report and findings.

5. MAYDEW HOUSE - RESULTS FROM THE RESIDENTS' CONSULTATION

The following additional information was circulated on Maydew House prior to the meeting:

- Update on programme of strategic safety work
- Technical response to independent survey
- Independent survey report by Mr A Tarling

The cabinet heard a detailed presentation from Barry McCullough and Jane Adamson (technical experts) in respect of Maydew House setting out an overview and location of the proposed work, detail relating to asbestos (location, type and action required) and the phasing and rehousing options.

In addition to the deputation, cabinet also heard representations from residents at Maydew (with differing viewpoints), Councillor Columba Blango (ward councillor) and Simon Hughes MP.

At 9.15pm it was moved, seconded and

RESOLVED: That the meeting stand adjourned for 20 minutes

The meeting reconvened at 9.35pm

RESOLVED:

1. That the findings from the consultation with the tenants and leaseholders of Maydew House be noted.
2. That it be noted that residents will be required to move out of their properties regardless of whether Maydew House is sold or retained and refurbished due to the nature and extent of the work required which is necessary to ensure that Maydew House meets the decent homes standard.
3. That the long term future of Maydew House be considered as part of the current review of the council's decent homes investment strategy, which is due to report later this year, and to make any decision in full consultation with the residents of Maydew House. Such consultation to include consideration of the right of return for tenants.
4. Without prejudicing the potential right of return as mentioned above, that the permanent re-housing of residents from Maydew House commence with immediate effect and in order to facilitate this, the special allocations scheme be applied in the council's lettings policy as it relates to re-housing on regeneration and improvement schemes (including awarding secure tenants band 1 priority for re-housing) and the local variation to the council's lettings policy as set out in paragraph 109 of the report be agreed.

5. To provide qualifying displaced residents with home loss and disturbance payments, under relevant legislation.
6. To deduct any outstanding rent arrears (and in cases where a liability order has been obtained, outstanding council tax) from the home loss payment, in line with legal advice in paragraph 132 of the report, recognised good practice and sound financial management principles, with exceptions to this being considered each on their own merits by the strategic director of regeneration and neighbourhoods.
7. That the new units currently being built at Montreal House in Canada Water be ring fenced to secure tenants being re-housed from Maydew House and the Heygate estate, if they wish.
8. That officers investigate the viability of extending the cash incentive scheme currently in place, from within existing budgets, to assist secure tenants of Maydew House who may be interested in a move into home ownership and to prepare a report with recommendations to the deputy leader and cabinet member for housing management to consider.
9. That the acquisition of all leasehold interests in Maydew House, be funded from the housing investment programme and that the head of property be authorised to undertake the necessary negotiations.

The meeting ended at 9.55pm

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, TUESDAY 17 AUGUST 2010.

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

Item No. 6.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Transforming Adult Social Care - Putting People First in Southwark	
Ward(s) or groups affected:		All wards All adults over 18 years with social care needs	
Cabinet member:		Councillor Dora Dixon-Fyle, Health and Adult Social Care	

FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE

1. This report asks the Cabinet to agree to major changes in the way that adult social care is provided in Southwark. In line with the national transformation of adult social care, a new customer pathway would be introduced to provide a focus on prevention, reablement and allocating personal budgets to people who need long term support – in order that they can self-direct the planning, organisation and delivery of their care and support.
2. The recommendation's principal benefits to the local authority over time will be:
 - People will have better access to advice, information and targeted prevention that will help them to live their lives without support from the Council
 - People will be supported through reablement to be as independent as possible
 - People will have more choice and control, leading to higher satisfaction levels
 - More people will be supported to live in the community, rather than institutions
3. Having completed the development and testing of the new way of working, it is now time to begin implementation for all customers. There is a national deadline to be offering all customers a personal budget from 1 October, so it is important that Cabinet consider the proposal on 21 September.
4. This proposal is expected to deliver improved outcomes for customers and to support the delivery of efficiencies for the authority in the future. I am therefore asking the Cabinet, after consideration of the officers' report set out from paragraph 6 onwards to approve the recommendation set out below.

RECOMMENDATIONS

5. Further to the report titled 'Personalised services in adult social care' that was presented to Executive on 28th April 2009, Cabinet is now asked to:
 - a. agree to the implementation of 'personalisation' to deliver the vision for putting people first in Southwark (see paragraphs 6-13 and appendix 1);
 - b. agree to the introduction of the new 'customer journey' and its systems, processes and procedures as the means to transform adult social care (see paragraphs 14-25 and appendices 2, 3 & 4);
 - c. acknowledge the impact that personalisation will have upon existing providers as people exercise more choice and control and endorse the

- approach being taken to shape the social care provider market (see paragraphs 26-31); and
- d. endorse the other actions that are being taken to underpin and deliver personalisation (see paragraphs 32-34).

BACKGROUND INFORMATION

6. The last three years have seen a growing force for change in adult social care, driven by the desire to improve the quality of life for disabled and older people. This vision for social care fits squarely within the wider public policy reform agenda outlined in the 2006 Local Government White Paper 'Strong and Prosperous Communities' and supported by the 2007 Lyons Inquiry into the future of local government. It is about the role that councils can play in improving the well-being of local disabled and older people, and the choice and flexibility that can be extended to individuals and communities so that they can design solutions that work for them.
7. Published in December 2007, Putting People First is an agreement between central and local government and other key organisations about the direction for adult social care for the next 10 years and beyond. Putting People First sets out the shared aims and values which will guide the transformation of adult social care and radically improve people's experience of local support and services. It supports partnership working between central and local government, social care professionals, providers and the regulator to achieve this, and builds on the 2006 White Paper 'Our Health, Our Care, Our Say'.
8. Under the overall theme of 'Personalisation' the key aspects of the desired transformation are:
 - a. improved information, advice and advocacy leading to improved access to universal services (such as transport, leisure and education),
 - b. a strategic shift towards prevention, early intervention and reablement to promote health, well-being and independence,
 - c. individuals having real control and choice by 'self-directing' their care and support by means of a personal budget – aiming to increase peoples' social capital to make sure that they have opportunities to be part of a community and experience the friendships and support that can come from families, friends and neighbours.
9. Southwark Health and Social Care is actively managing this transformation through its personalisation programme. The programme is being delivered through a number of workstreams. It is funded by the social care reform grant that is due to end in March 2011.
10. Through implementation of Putting People First, Southwark is making whole systems change, transforming the end to end process for adult social care services. This means that the 'customer journey' in future: will start with a single point of contact; people who need help to get back on their feet will have a reablement service; and where it is established that people have a longer term need, they will receive a personal budget that they can directly manage or that can be managed on their behalf by a third party (including the Council). Safeguarding adults at risk will be fundamental to this process. Safeguarding alerts and investigations will be integral to the 'end-to-end' process and support plans for people will only be agreed where the arrangements are judged to be safe.

11. The programme is governed by the transformation board which coordinates all associated initiatives across adult social care. This ensures that the future for adult social care is tailored to specific local conditions whilst ensuring compliance with the wider regulatory requirements and guidelines. Since September 2009 users and carers have been and remain closely involved in helping to develop and co-produce the new system. A wider stakeholder forum has been established to ensure that the voices of all key stakeholders are heard, 'weighed' and acted upon.
12. The Council has introduced personal budgets, which are being used by some existing and some new customers. At 31 March 2010, 511 customers had some form of personal budget (380 Older People, 131 under 65). Of this total, 235 had direct payments under the existing scheme, 261 had personal budgets that are managed by the council in line with their support plan and 15 people had elected to self manage their personal budget.

KEY ISSUES FOR CONSIDERATION

13. An overall vision for the future of adult social care in Southwark has been developed and shared widely. In summary, the vision is for residents in Southwark to live more independent lives, less dependant on traditional services and supported to remain living in their own home. The full vision statement is attached at appendix 1.
14. The existing care management process is being replaced with a new customer journey that delivers the principles of personalisation set out in paragraph 8, above. It includes:
 - a. information, advice and advocacy before people need to contact the Council and for self-funders,
 - b. a single point of contact – via the Council's customer service centre - for people who do need to access adult social care,
 - c. reablement services to support people to regain their self-confidence and independence, so that they do not need longer term support,
 - d. people involved in their own outcome based assessments, with an up front personal budget allocation so that they can create their own support plan,
 - e. formal agreement of the support plan so that people can then receive their personal budget and organise their own support,
 - f. regular reviews to ensure that agreed outcomes are being met.

Appendix 2 describes the new system in more detail.

15. This transformation is intended to deliver a number of strategic benefits for service users and carers, the Council and the wider community. These include:
 - a. improving outcomes for people with social care needs;
 - b. delivering efficiency savings through an improved business process - realised through deploying appropriately skilled resources, reductions in transaction costs and the use of a new resource allocation system to make more equitable, transparent and affordable funding allocations;
 - c. changing the prevailing culture by extending choice and control for individuals so that they are in charge of their support.
16. In autumn 2009 the Department of Health and the Association of Directors of Adult Social Services agreed a set of delivery milestones for the Putting People First programme. The Council is self-assessing against these milestones every

three months to ensure that it meets the milestones. The key milestone is that which requires the Council to apply the new system to all new customers a personal budget from October 2010, and all existing customers at their next review following October 2010. The programme in place will deliver to these milestones and will mean that by April 2011 at least 30% of people receiving services in the community will be self-directing their support.

17. The Council has piloted self-directed support and personal budgets with a number of service users across care groups. People who complete reablement and need longer term support are now routinely offered a personal budget.
18. For a number of months a ready reckoner was used to calculate each person's personal budget. This was calculated using a traditional formula including the number of hours of traditional service needed and the cost per hour.
19. After some months of development, the Council started to implement a resource allocation system (known commonly as a RAS) in June 2010. The RAS is used to calculate each person's indicative, or 'up front' personal budget allocation. This is an estimate of the amount that the Council would reasonably expect to pay to meet each person's support needs. It is a guide that enables people to start making their own support plan, knowing how much money is available. The actual allocation is agreed only when the support plan has been authorised by the social worker and the responsible budget manager.
20. The RAS is the mechanism that will enable the Council to ensure that the funding allocations to each person and to various groups (e.g. older people, people with a physical disability, people with a learning disability and people with mental health needs) are: sufficient to allow people to organise their own support, affordable for the Council, equitable, fair and transparent. It will also be used to bring social care expenditure in Southwark into line with similar local authorities and this may result in some resource shifts. For example, some reductions will be achieved by reducing the number of people cared for in institutional residential care homes and enabling more people to live in their own homes, with support; such changes are underway through other transformation projects.
21. The evidence from across the country and from early experience in Southwark is that given choice and control, and a personal budget to realise their preferences, many people continue to purchase personal care and support from existing providers. However, they also use their personal budget in simple, but innovative and creative ways that work for them. Some examples are given at appendix 3.
22. In an independent consultation into adult social care provision with existing customers in Southwark in February 2010, 35% of those surveyed said that they already had or wished to have the money to manage their own support. This is expected to grow over time as new people enter the system and the benefits become more apparent. See appendix 4.
23. For various historical reasons, Southwark provides support to a very high proportion of its service users in institutional residential care. The personalisation agenda and the need to use resources more effectively means that this will be changing significantly in this financial year and beyond.

24. The prospect of reducing public finances means that the Council will need to focus some investment in preventative services. Recent national and local pilots have identified a range of services that have been demonstrated to be effective in supporting people to avoid entering the health and social care system, or to prevent them from escalating onto higher level, higher cost services. Examples include greater use of assistive technology, telecare and community equipment.
25. The Council is also a national leader by being one of the first local authorities to transform its community equipment services. People in Southwark can now get a prescription for small items of equipment that support them in their own home. These prescriptions can be taken to local chemists/pharmacies where people can select the item that is most suitable for them.
26. Work has started between adult social care managers and Public Health colleagues from Southwark Primary Care Trust (PCT) to review investment in prevention and create an agreed strategy that delivers efficiencies across the health and social care systems. This work is being overseen by the Health & Well-Being Partnership Board.
27. Personalisation will therefore have an impact upon most if not all existing service providers – both commercial and third sector organisations who currently provide a range of services. In order to deliver effective prevention services that generate cashable savings, the Council will need to re-focus its expenditure from a range of existing contracts to those that can demonstrably deliver better outcomes. As more people exercise choice and control the Council will need to re-shape the market by moving away from block contracts to framework agreements and spot purchasing arrangements. The re-commissioning of home care services reflects this shift. Local and national evidence indicates some continued need for personal care contracts in at least the medium term, but new contracts are due to be let with a reducing number of guaranteed hours.
28. The role of commissioners will become less as purchasers and contract monitors and increasingly in shaping and market stimulation – in effect, changing from a social care wholesale model to a retail model, where individuals are the purchasers.
29. The Council is working alongside providers to assist them to think about the ways in which personalisation will effect their business, work out what changes they may need to make and identify new opportunities. A strategy for commissioners to use to manage this change has been coproduced with external consultants, staff and providers. Putting this strategy into practice is a key workstream within the personalisation programme.
30. A range of providers have collaborated with the Council, DEMOS (an independent think tank and research institute), In Control and the University of Lancaster to find out how Southwark residents who currently use social care services would choose to spend a personal budget. Over 530 existing customers responded to the survey and the results are currently being analysed by DEMOS. This feedback will be used to inform market shaping activity.
31. In many cases this market shaping will require decommissioning or re-commissioning of services, which will require political support.

32. One of the additional benefits of this survey referred to above is that over 500 people have now aware of personal budgets and might ask to transfer from their existing service to a personal budget. This will complement and reinforce one of the Council's main communication strategies during the coming year - promoting Putting People First. A series of case studies have already been written to explain the benefits of personalisation for Southwark people. These have been used in the March 2010 edition of Southwark Life , at a staff conference in February 2010, in regular staff newsletters and in work with providers.
33. There is a workforce development workstream that is assessing, planning and implementing the work necessary to enable the social care workforce to deliver personalised approaches to customers and their carers. The very nature of self-directed support means that the 'social care workforce' will be much broader than it is currently defined. The strategy will ensure that the social care workforce as it is 'to be' will understand the values, principles and practical application of personalisation and have the opportunity to engage in appropriate learning and development. Staff from the Organisational Development section within Human Resources are assisting with this work along with The Really Useful Learning Company – an organisation specialising in 'people development' for personalisation.
34. The transformation of adult social care will require a major change to the adult social care organisation structure, which will have a significant impact on staff roles. These organisational changes will require staff consultation to implement. Staff from the Change Management section of Human Resources are assisting with this work

Policy implications

35. Guidance produced by the Association of Directors of Adult Social Services and the Department of Health in 2009 confirms that the move to self-directed support and personal budgets can be managed with existing community care law and regulations.
36. Revised guidance was published by the Department of Health in 2009, updating and extending the operation of direct payments. That guidance confirms Government commitment to all eligible social care users being offered a personal budget – either as a direct payment or as a notional budget held and managed by a council or a third party.
37. New national Guidance on Eligibility Criteria for Adult Social Care was published in February 2010. This underpins the move to personalisation but maintains the existing four band approach to eligibility (low, moderate, substantial and critical). In line with the majority of local authorities in England, Southwark provides services to people with substantial and critical needs. The new guidance reinforces the need for prevention services (as described in paragraphs 24 to 26 above) for people with moderate and low needs.
38. The implementation of personalisation in Southwark has the following policy implications, described in detail above:
 - a. Improved information, advice and advocacy services for all residents of the borough prior to any contact with the Council – including support to self-funders who need to organise social care and support;

- b. A single point of access for people with adult social care needs, via the Council's customer service centre;
 - c. Development and implementation of a range of preventative services, with Health, for people who do not meet the Council's eligibility threshold and to prevent people entering or escalating through the health and social care systems;
 - d. All people eligible to receive adult social care to be first offered reablement / rehabilitation services in order that they can remain living in their own home or move into their own home, rather than in institutional residential care;
 - e. All people who need and are eligible for long term support to have a personal budget – to be taken either as a direct payment or managed by a third party (which could be the Council) on their behalf. This to be offered to all new customers from October 2010 and existing customers at their next review from October 2010.
39. The overall effect of this policy shift is intended to make the Council a preventative and enabling organisation that gives residents more choice and control in order that they can live as full and active life as possible in their own home and community – and away from the 'dependency culture' that expects the Council to provide 'one size fits all' type services.

Community impact statement

40. The intention is that everyone who receives social care support - whether from statutory services or by funding themselves - will have choice and control over how the support is delivered, confident that services are of a high quality, are safe and promote their individual requirements for independence, well-being and dignity. This is in line with the fundamental human right to self-determination and responds to the rising expectations of both older and younger people individuals that whatever their disabilities they should lead the life of full and active citizens.
41. The approach to development and implementation in Southwark has been to ensure that the new system meets better outcomes for customers, meets the Council's statutory responsibilities to ensure that equality issues are addressed and promoted.
42. In practice the approach has been to: design parts of the new process, consult with staff, users and carers about the proposal and then pilot the new way of working in a controlled manner. This action learning approach builds on the expertise and experience of users, carers and staff. It recognises that not all of the consequences of a change to working practices can be anticipated ahead of those changes being made. The outcome of this approach is that all parties are involved, their 'buy-in' is more likely, and systems are created that work.
43. Formal research and evaluation is being employed. The Council recently worked with In Control (the organisation that created the movement toward self-directed support and personal budgets), the University of Lancaster and Age Concern locally to conduct research with the first people to have had a personal budget in Southwark. This measured their views and their family carers' views about the outcomes. Staff who have been involved were also surveyed.

44. In this local evaluation service users/customers reported significantly improved outcomes. For example:
- 82% said that their choice and control over their support had improved
 - 73% said that they felt that they were being treated with more dignity and felt safer at home
 - 70% said that their emotional well-being was better, and
 - 66% reported improvements in the control that they had over things that were important to them

Family carers reported significant improvements in their lives following the introduction of self-directed support. All (100%) reported that they had the support to continue caring and remain well and all (100%) reported improvements in their mental and physical well-being.

When we asked our staff whose role is most affected by self-directed support about their perceptions of the impact of personal budgets on individuals and on their own working lives:

- 89% reported that self-directed support made a positive difference to customers
- 86% said it enabled them as staff to support people to make their own choices
- 85% thought that support was better tailored to the individual's needs
- 83% felt that it made good use of their own knowledge and skills
- 77% thought that it got the right amount of help to people and was effective in getting support plans agreed

The Council was pleased to receive feedback from In Control that the results of the staff satisfaction survey are particularly positive when compared to other local authorities that have used the same evaluation framework.

45. It is anticipated that SDS has the potential to be advantageous for specific equality groups within the population, by offering greater choice and services to meet diverse needs in a person-centred way.
46. The formal process of equality impact assessment is underway. Stage one of the Council's process (scoping) has been complete. The full impact assessment will be undertaken as part of the user and care coproduction workstream. The aim is to involve customers in the process in order that members of the community inform the full assessment alongside formal research outcomes and the contributions of Council staff. It is hoped that in this way the completion of the equality impact assessment will support the cultural shift in people's mindsets and be part of the Council's communication strategy about the new approach.
47. There is anecdotal evidence that self-directed support and personal budgets significantly improve access to support for people from black and minority ethnic communities, who can be dissatisfied if provided with traditional services that are felt not to be sensitive to their cultural requirements.
48. It is anticipated that personalisation has the potential to be advantageous for people of different religions, faiths or beliefs by offering greater choice to meet diverse needs in a person-centred way.
49. Our information and materials will need to be produced in easy read versions, audio and alternative formats, with details about how to request information in different languages.

50. There is no evidence to suggest benefits of personalisation will be disproportionate to men, women or transgendered customers.
51. There is ample evidence that personalisation promotes equal opportunities and social inclusion for disabled people.
52. There is often concern that personal budgets may not be attractive to older people, yet In Control's national studies show that 53% of people with a personal budget are older people. The two case studies in appendix 3 give examples of older people in Southwark who have given permission to share their experiences about the way in which personal budgets have worked for them.
53. Indeed, personalisation is a response to the older peoples, disabled peoples and mental health service users lobbies over many decades to shift more choice and control into their hands.
54. There is no reliable information about the impact on lesbian, gay and bisexual people, but it is anticipated that, like other minority groups, they are likely to be better served by a more personalised service that is focused on empowering individuals to take as much control as they choose over their care and support.

Financial implications (FI/923)

55. The transformation activity programme for personalisation has been funded through the adults social care budget, using the Social Care Reform Grant. This is a central government grant which has been paid as follows:

Year	Amount (£000s)
2008/09	524
2009/10	1,211
2010/11	1,478

The current financial year is the final year of the grant. It is anticipated that personalisation will become a mainstream activity from April 2011 and that transformation activity will cease. Any outstanding transformation activity after March 2011 will need to be from the Council's own resources, with equivalent savings identified elsewhere.

56. Transformation of adult social care is at the core of the departmental budget strategy for 2011-2014.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director

57. Self directed support is being implemented during a period when the Council is under considerable economic pressure with reducing financial resources. It is recognised that efficiencies of around 25% may be necessary by 2014. Therefore at each stage of the project design, consideration is being given to reducing costs whilst meeting assessed needs to fulfil the council's legal obligations to service users. The council will also focus some investment in preventative services.

Strategic Director of Communities, Law and Governance

58. The key drivers to transforming adult social care are set out in the body of the report at paragraphs 6-8. The implementation of personalisation is achieved without the need for changes in legislation.
59. When changing services the Council must give due regard to its disability equality duty under s49A of the Disability Discrimination Act 1995. Stage one of the equalities impact assessment process has been completed. The report highlights from paragraph 42 how the personalisation programme is being developed in a way to ensure the council remains alert to the impact that this change will have on users and carers. This shows that the impact of personalisation is being monitored appropriately and will be evaluated. The results of the equality impact assessment will be presented to Scrutiny Committee.
60. In the new customer journey, all customers with long term support needs will have a personal budget. It is the customer's choice whether they have this as a direct payment, have it managed by the Council, or opt for a combination of both. Some service users will prefer to rely on the Council as a body of professionals who owe them a duty to arrange services.
61. Personalisation anticipates empowering individuals to choose how their social care allocation is spent. However the Council retains its duty to assess individuals' needs and its duty to meet eligible needs. Failure to provide services, or offer a personal budget capable of obtaining services that meet assessed needs will risk legal challenge. When reviewing its support to current service users, with a view towards personal budgets and change of residence, the Council must consider each person on a case by case basis.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Personalised services in adult social care (Executive report, 29 April 2009)	Southwark Health & Social Care	Brian Frisby
Putting People First (HM Government, 2007)	Southwark Health & Social Care	Brian Frisby
Social Care Transformation: Elected Member Briefing (I&DeA, LGA, SCIE, DH)	Southwark Health & Social Care	Brian Frisby
PPF Milestones Report – 2010 March	Southwark Health & Social Care	Brian Frisby
Personalisation Programme – Phase 2	Southwark Health & Social Care	Brian Frisby
Guidance on Eligibility Criteria for Adult Social Care (DH, 2010)	Southwark Health & Social Care	Brian Frisby
Common resource allocation framework (ADASS & DH, October 2009)	Southwark Health & Social Care	Brian Frisby
Guidance on direct payments: For community care, services for carers and children's services (DH, 2009).	Southwark Health & Social Care	Brian Frisby
A report on In Control's third phase: evaluation and learning 2008-2009	www.in-control.org.uk	-

APPENDICES

No.	Title
Appendix 1	Putting People First in Southwark – The Vision
Appendix 2	The new customer journey
Appendix 3	Self-Directed Support Case Studies
Appendix 4	Some customers' views about self-directed support and personal budgets

AUDIT TRAIL

Cabinet Member	Cllr Dora Dixon-Fyle, Cabinet Member for Health and Adult Social Care	
Lead Officers	Susanna White, Strategic Director of Health and Community Services & Chief Executive NHS Southwark and Sarah McClinton, Deputy Director, Adult Social Care	
Report Author	Brian Frisby, Head of Putting People First	
Version	Final	
Dated	9 September 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
Executive HR Manager	Yes	No
Date final report sent to Constitutional/Community Council/Scrutiny Team	9 September 2010	

Appendix 1 Putting People First in Southwark – The Vision

Transforming Adult Social Care

Southwark Health & Social Care is transforming adult social care. It is giving vulnerable adults far greater choice and control over their care and support in order that they can live more independent lives.

This change is happening in councils across the country as part of the Government's personalisation programme, set out in the short pamphlet *Putting People First* (2007). It is a shared commitment by the Government, local councils and service providers to ensuring that people who need care and support have the choice, flexibility and control to live their lives the way they wish.

Detailed work to transform adult social care in Southwark is well underway and will continue at a pace until at least March 2011, funded by the Government through the social care reform grant. The transformational changes that Southwark Council is making will continue beyond that date, but by then we will already have made significant improvements for the borough's residents.

Economic Outlook

These changes are taking place during a recession and pressures on public spending that will have a significant effect for some years to come. The Council will have less money to spend on services over the next few years. It was for this reason that during 2009 the Council changed the level of need at which Southwark's residents are entitled to get paid care and support. Following full consultation, it was decided that people with substantial and critical needs under the national *Fair Access to Care Services* guidance will continue to receive Council funded adult social care support. Some people will have substantial and critical needs, but their income and savings mean that they have to pay the full cost themselves – often called 'self-funders.'

Social Care Outcomes

Faced with these different challenges, the Council will become far less prescriptive, moving away from telling people what they need and what services they can have. Its role will continue to be to provide an assessment and offer support to those who have eligible needs. But it will also become more about helping people to help themselves, giving them support when they cannot and being a trusted advocate for all residents. The Council will become less concerned about what services it is providing and more focussed on the benefits – or 'outcomes' – for vulnerable people. In particular we will work to ensure that our customers:

- Are healthy
- Have a good quality of life
- Make a positive contribution
- Exercise choice and control
- Are free from discrimination or harassment
- Have economic wellbeing
- Maintain their personal dignity

Advice, Information & Advocacy

The first major improvement will be when people first contact us or are referred to us for requesting an assessment or a service. Whether or not people are eligible for

Council funded care and support, we will make good quality information, advice and advocacy accessible to everyone so that they can get the care and support they need. The Council will retain its duty to provide an assessment and support those with eligible needs. But we will make access to 'support planning' tools available to everyone via the Council's website that will help people work out how they can best be supported to carry on living in their own home.

Prevention, Early Intervention & Reablement

The second major improvement will be our emphasis on giving people support that they need sooner rather than later, and on supporting people to get over a crisis, emergency or period of healthcare so that they can get 'back on their feet' and carry on living in their own homes. Often known as early intervention and reablement services, our aim will be to shift the emphasis to preventing people needing more costly health and social care services. The evidence from Southwark and elsewhere is that at least four out of every ten people who use these reablement services won't need longer term care and support.

Self-Directed Support

So the third major improvement will be the way in which people who do need long term care are supported. Instead of our customers receiving standard, contracted services, we will be inviting them to be in control. We will tell people up front how much the Council would reasonably expect to pay to meet their needs and invite them to work out how they would want to be supported and by whom, by producing their own support plan, funded by a personal budget.

People who are clear what they want will be able to do this quite quickly, whilst others will need varying levels of assistance to write their plan – and this will be available from a variety of sources. Some people in Southwark have started doing this - including a customer in her nineties! – and thousands more are making this 'self-directed support' work for them around the country. We aim to make this a reality for at least 30% of our customers by March 2011 and many more beyond that.

Independent Living

Overall we are moving away from a dependency on services, especially institutional residential care. We know that most older people wish to remain living in their own homes for as long as possible, and this personalised approach will enable more people to realise that desire. For some older people with healthcare needs, nursing home care will still have a place in the range of support on offer.

Far too many people with a learning disability in Southwark live in residential care compared to similar local authorities. So we will offer these customers a personal budget and assist them to create support plans that enable them to become included in our communities as full citizens – with their own rented or shared ownership home, income, access to community and leisure facilities and access to learning, voluntary work and employment.

Similarly we will invite people with a physical disability to live more independent lives. We will enable them to make informed choices about the way in which they live their lives. For example, rather than live in within institutional residential care, people may wish to live in their own home, in the community, taking the everyday risks associated with ordinary living that most of us take for granted.

Self-directed support will also be offered to people with mental health needs to support recovery and social inclusion.

Personalisation & Safeguarding

We are aware that many people worry about how customers will be safeguarded outside of regulated services and may be open to financial abuse, in particular. But it is already the case that most people who are referred for an adult protection investigation are living in regulated, institutional care and for reasons of financial abuse.

The Council will retain its legal duty of care. But in agreeing our customers' support plans we will need to be more open to people choosing to manage the risks in their lives differently, and move away from being so cautious and risk averse that people's lives are stifled. The best way to ensure that people remain healthy, safe and well is for them or those who love them to be in control of their support.

This means that the role of family carers, relatives and friends in continuing to enable most people to carry on living in the community will be even more critical. They will be vital in assisting many customers to plan and organise their own support or in doing it for them. So the Council will also offer personal budgets to carers in their own right, as part of the support available for them to be able to carry on sustaining their caring role and to assist them to achieve their own personal ambitions.

Advice, information and advocacy, preventative and reablement services are key parts of this transformed adult social care system. But it is the choice and control offered by self-directed support and personal budgets that marks the greatest potential to improve the lives of Southwark's vulnerable citizens.

Transformational Change

Achieving this transformation will require a lot of work and change for everyone working in the adult social care 'system.' Social workers will need to work with new approaches to assessment and a 'resource allocation system.' They will retain responsibility for assessment, agreeing eligible needs and resource allocation. They will have a role to assist some customers with support planning, but will need to 'let go' of some of their power to allow more people to do this themselves or with assistance from people outside of the Council.

Commissioners' will need to become less occupied in procuring and monitoring contracts and more focussed on developing a social care market that provides what individual customers wish to buy. Existing contracts will need to change to make this possible.

Providers will need to change their business model, gearing up to individuals becoming their customers instead of the Council. Where the Council does arrange and pay for support, providers will need to personalise their services in community based and residential care settings. Here the challenge is for them to listen to what people have been saying about personalisation and deliver individually tailored services based on intimacy and relationships.

The Council's relationship with third sector organisations – the voluntary sector – will need to change, as with other providers. The Council will target grant funding to

organisations that can deliver preventative approaches that can demonstrate that they avoid people needing to enter more expensive health and social care support and/or to access universal services that are available to everyone. Of particular benefit will be those organisations that help people connect to their community and assist people to build upon and increase their 'social capital' – the network of contacts and support that most people have in a two-way 'give and take' relationship to manage their life. Key to this will be the recognition that most people have their own unique gifts, talents and skills that they can contribute to the wider community.

Finally, one of the most important changes that is taking place is the way in which the Council is going about managing this transformation and creating the new 'system.' It is no longer acceptable for the Council to decide how things will work and consult with people about a 'done deal.' The challenge is to 'co-produce' the new system, now and over time, to ensure that disabled and vulnerable people are treated as experts by experience in their own care and support. To this end, and to meet a target set by the Government, the Council will establish a user-led organisation – based on the Centre for Independent Living model – to be the hub for support to disabled people taking more control of their lives.

Personal budgets – the vehicle
Self-directed support – the route
Independent living – the destination
(inControl)

Appendix 2 The new customer journey

The existing care management process is being remodelled. The new process has become now as the new customer journey that will deliver an 'end to end' transformation of adult social care in Southwark.

Step 1 Pre-initial contact: Before any formal contact with the Council is established or needed, a person will have access to a range of coordinated and validated information and advisory services. This will be available through multiple channels (web, phone, face to face etc) but will be consistent in terms of the nature and quality of information provided. Signposting to a wide range of self-help and voluntary organisations will be provided.

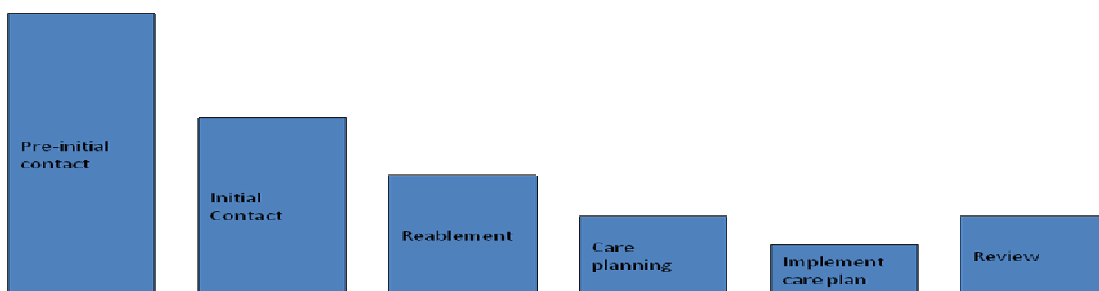
Step 2 Initial contact: When a person first contacts the Council specifically regarding adults social care services, they will have an initial contact assessment, following which, they will be offered advice, information and signposting to services in the community offered by a range of organisations, which can meet their needs. This will be consistent regardless of whether they contact the Council via the internet, phone or face to face.

Step 3 Reablement: Where the person has an assessed need for Council support, meeting the eligibility test, a rehabilitative reablement service will be offered to assist them to regain their independence and reduce their need for ongoing care or support.

Step 4: Support Planning: Where people have an ongoing need for care and support they will contribute to their needs assessment. A new 'resource allocation system' (or RAS) will be used to calculate an up-front indicative personal budget from the Council to meet their needs. This will take into account their personal financial circumstances, their contribution to the costs of care, and any informal support available from family and their community. The person is then invited to create their own support plan, knowing how much the Council would reasonably expect to pay for their support. The person might do this alone or with assistance from their family, care manager or an independent support planning organisation –especially where they lack capacity to do this without support. The plan has to show how they intend to use the personal budget to meet their assessed needs and achieve agreed social care outcomes.

Step 5 Implement support plan: The person's own support plan is then examined and agreed by the Council, ensuring that the plan meets their needs, manages any risks and is within the agreed budget. Once the the support plan is agreed, the personal budget is paid to the person in order that they can set up their support arrangements

Step 6: Review: The support plan, use of the personal budget and progress towards the agreed outcomes are reviewed at regular intervals by care managers.



The block sizes signify anticipated relative numbers of 'customers' at each stage

Appendix 3 Self-Directed Support Case Studies

1. Mrs. A, in her late 90s, managed without any help until a few years ago when she had a fall when out shopping, and began to rely on a family member for help. Mrs. A first contacted Adult Social Care in 2009 and was provided with minor adaptations such as hand rails, to help her manage better at home. Since she was socially isolated, was beginning to need assistance with personal care, and was eligible for funded social care support, the social worker discussed the options of either being provided with a home care worker and going to a day centre or of having a personal budget to be able to organise her own care and support arrangements. Rather than having a stranger (home care worker) coming to help her with personal care such as washing and dressing, Mrs. A decided to formalise and extend the arrangement with her family member. Using her personal budget, she now employs this person, as a personal assistant, to visit her each morning to help her get washed and dressed, to do her shopping and housework, and help her to prepare her lunch and tea. Mrs. A is now thinking about how to use part of her personal budget to get out and about when the weather improves and, rather than going to a day centre, she is considering employing her personal assistant to help her go sightseeing. Mrs. A has told her social worker that she feels more confident and more in control of her life with the personal budget.
2. Mr and Mrs B live together at home, with Mrs B caring for her husband who has a degenerative condition. Both are interested in art but due to Mr B's illness and Mrs B's caring role they have been unable to pursue this interest. Mrs B also has health issues of her own which have become worse due to her current caring role for her husband. Following their social care assessment the social worker discussed with them whether, instead of receiving a care package of home care (to help with personal and practical tasks) and day care for Mr B (to give his wife a break), they would be interested in having a personal budget. Mr and Mrs B now have a personal budget which they are spending on domestic help in the home, art classes for Mr B and respite activities which allow them to spend more time together.

Appendix 4 Some customers' views about self-directed support and personal budgets

An independent consultation project into adult social care provision was published in February 2010. Approximately 40 people were interviewed in five day centres.

35% of people said that they already managed their own care or would like to. Only 54% said that they did not want to do so.

This view was taken at a time when the Council was still developing personalisation and had only piloted personal budgets with less than 10 people.

Item No. 7.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		5 Trossachs Road, SE22 and 7 Hayles Street, SE11 – Disposal of Freehold interests	
Ward(s) or groups affected:		Village and Cathedrals	
Cabinet Member:		Cabinet Member for Finance and Resources	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE AND RESOURCES

1. This report proposes the disposal of two residential street properties. In both cases, I am advised that the cost of bringing these units back into use as council housing is prohibitive - over £100,000 in each case. The receipts from these properties (over £400,000 for each) will be usable in the Housing Investment Programme to contribute towards the council's commitment to make every council home warm, dry and safe.
2. I have fully considered the report from officers. I put forward the following recommendations:

RECOMMENDATIONS

That the Cabinet authorises

3. The Head of Property to dispose of the council's freehold interests in 5 Trossachs Road, SE22 and 7 Hayles Street, SE11 (the "Properties"), either by auction or an alternative method of sale, for a consideration not less than the best that can reasonably be obtained.
4. The Head of Property to set the levels of reserve, below which the properties will not be sold, prior to any sale at auction; or, in the event of an alternative method of sale, set the minimum prices at sums that equate to the best consideration that can reasonably be obtained.
5. The capital receipts from the sale of the Properties to be recycled and used in accordance with the provisions of the capital finance regulations for the purposes of the Housing Investment Programme as identified in the Finance Director's concurrent report below.

BACKGROUND INFORMATION

6. On the 17 March 2009 Executive received a report from officers entitled 'Capital income generation for the Housing Investment Programme and Hidden Homes'. Amongst the recommendations of this report the Executive noted the funding gap to meet its investment needs for its housing stock, to deliver a Southwark Decent Homes Standard for all tenanted homes. Further to this the Executive noted the considerations for different funding options which were identified in the April 2008 Executive report (Southwark's Decent Homes Standard), and agreed the disposal of empty homes (voids) – in line with

paragraphs 16-25 of the March 2009 report.

7. The properties have been identified as suitable for disposal, as they meet the requirements of the criteria set out in the 17 March 2009 Executive report: i.e. each has a value in excess of £400,000.
8. Executive further resolved on the 17 March 2010 'that 100% of the receipts generated from the additional disposal of voids and land proposed by this report are used to fund both the housing investment programme to deliver Southwark's Decent Homes Standard and to deliver new housing through a Hidden Homes strategy and potentially some new build'.
9. In the case of 5 Trossachs Road, the property comprises an unoccupied two and three storey Victorian linked semi-detached property, currently arranged as two self-contained flats. It is in a dilapidated condition, internally and externally, and requires substantial investment to make it properly habitable. 7 Hayles Street is an end-of-terrace Victorian property currently arranged as a two self-contained flats. The properties are identified in red outline on the attached Ordnance Survey extracts, at appendix A.
10. It is considered that the preferred and most appropriate course of action, if the properties were to be retained, would be to de-convert them into single family units. It is estimated that de-conversion would cost £150-£180,000 for each property and would take six months on site.
11. Both properties are currently empty, at risk of further deterioration and being squatted.
12. The properties are held in the Housing Revenue Account (HRA).
13. Authority to sell is delegated to the Head of Property in individual cases where sale prices are below £500,000. The sale prices of these properties should exceed this limit and Cabinet approval is therefore required.
14. The properties have been declared surplus to the council's requirements by the Director of Regeneration and Neighbourhoods.

KEY ISSUES FOR CONSIDERATION

15. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration requirements. The sale of these properties will comply with these requirements.
16. The properties are likely to be offered for sale at auction, the earliest date being 26 October 2010. However, if the Head of Property considers that another method of sale will yield a higher capital receipt, then he may use alternative means of sale.
17. The sale of the properties to owner occupiers, developers and/or investors should ensure that they are quickly brought back into beneficial use.

18. The council has sufficient unused Capital Allowance (an approved sum representing the cost of our programme of affordable housing and regeneration) to retain 100% of the (non-Right to Buy) receipts generated by this disposal. Earmarking to fund particular schemes is proposed in the Finance Director's concurrent report below.

Policy implications

19. The disposal of these properties will generate substantial capital receipts, which will be used to provide capital funding in support of the council's key priorities. This includes the provision, refurbishment and redevelopment of affordable housing. This assists the council in meeting its commitment to regeneration and sustainability in housing as demonstrated through the 2009-2016 Southwark Housing Strategy.
20. The disposal of these properties is consistent with the recommendations contained within the report considered by Executive on the 17 March 2009 entitled 'Capital Income Generation for the Housing Investment Programme and Hidden Homes'.

Effect of proposed changes on those affected

21. The sale of properties within the HRA stock will have a negative impact on the number of council properties available to let. However, this will be offset by gains through the Hidden Homes programme and investment to retained stock, especially where decent homes have not yet been delivered.
22. Increased investment into Southwark's stock to meet the higher Decent Homes standard will have a positive impact on disadvantaged and minority communities, who are statistically more likely to be council tenants than the general population as a whole.

Community Impact Statement

23. As these individual property sales are considered to be non-contentious, consultation is thought not to be appropriate.

Resource implications

24. The minimum capital receipts generated from the sales will equate to the reserve prices, to be set prior to auction; or, in the event of alternative methods of sale, sums that equate to the best consideration that can reasonably be obtained.
25. In the event that the Properties are offered for sale at auction, the council's professional fees amounting to 2% of the purchase price for each property will be recovered from the purchasers in the form of a buyer's premium.
26. The sale of the Properties will be dealt with by the council's Property Division.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

27. As the properties fall within the council's Housing portfolio, the disposal can only proceed in accordance with Section 32 of the Housing Act 1985 (as amended), for which purposes the consent of the Secretary of State for Communities and Local Government is required.
28. However, a number of General Consents have been issued in the General Housing Consents 2005. Consent A5.1.1 states that a local authority may, subject to the provisions of that consent, dispose of one vacant house or vacant flat or vacant converted house to any individual for a consideration equal to its market value, provided that the purchaser (alone or with others) has not, under consent A.5.1.1 acquired another dwelling-house from the authority previously in the same financial year.
29. The Cabinet is advised that – provided that the Head of Property is satisfied that the disposal will be made in accordance with the requirements of Consent A.5.1.1, and further, in the event of a sale at auction, ensures that the auction contract is made explicit that, in the event that the purchaser does not qualify under the terms of the above consent, the contract can be rescinded by the council – the recommendations may be approved.

Finance Director

30. This report recommends the disposal of the two indicated HRA properties (paragraph 3) at auction, or by an alternative method of sale. The receipts from their disposal will be recycled, in accordance with the Capital Finance Regulations, into funding both the Housing Investment Programme to deliver Southwark's Decent Homes Standard, to deliver new housing through a Hidden Homes strategy, and potentially some new build.
31. There is no current or prospective loss of rental income, as both properties are currently void.
32. The Finance Director expects that the auction reserve prices, and/or the selling prices, will be close to the current market value estimates for the two properties, and that reasonable management, legal and marketing expenses that might have been incurred may be recovered using the formula set out in paragraph 25.
28. The Finance Director also takes note that the properties have been declared surplus to the council's housing requirements as per paragraph 14.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
5 Trossachs Road, SE22 and 7 Hayles Street, SE11	Development Team, Property Division, 160 Tooley Street, SE1 2TZ	Paul Davies on 020 7525 7221

APPENDICES

No.	Title
Appendix A	OS plans, indicating the properties

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Cabinet Member for Finance and Resources	
Lead Officer	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods	
Report Author	Steve Platts, Head of Property & Paul Davies – Principal Surveyor	
Version	Final	
Dated	9 September 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	9 September 2010	

Draft pdf source



TITLE.

7 Hayles Street, SE11 4SU.

DRAWING No.

LBS_2480

DRAWN BY.

MMANKTELOW
Property Division

DATE.

23/8/2010

Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. (London Borough of Southwark / Licence No. LA086541).

Original Scale - 1:1250

Subject to variation when reproduced from an Adobe pdf source



NOT FOR LEGAL USE



Draft pdf source

TITLE.

5 Trossachs Road, SE22 8PY.



DRAWING No.

LBS_2439

DRAWN BY.

MMANKTELOW
Property Division

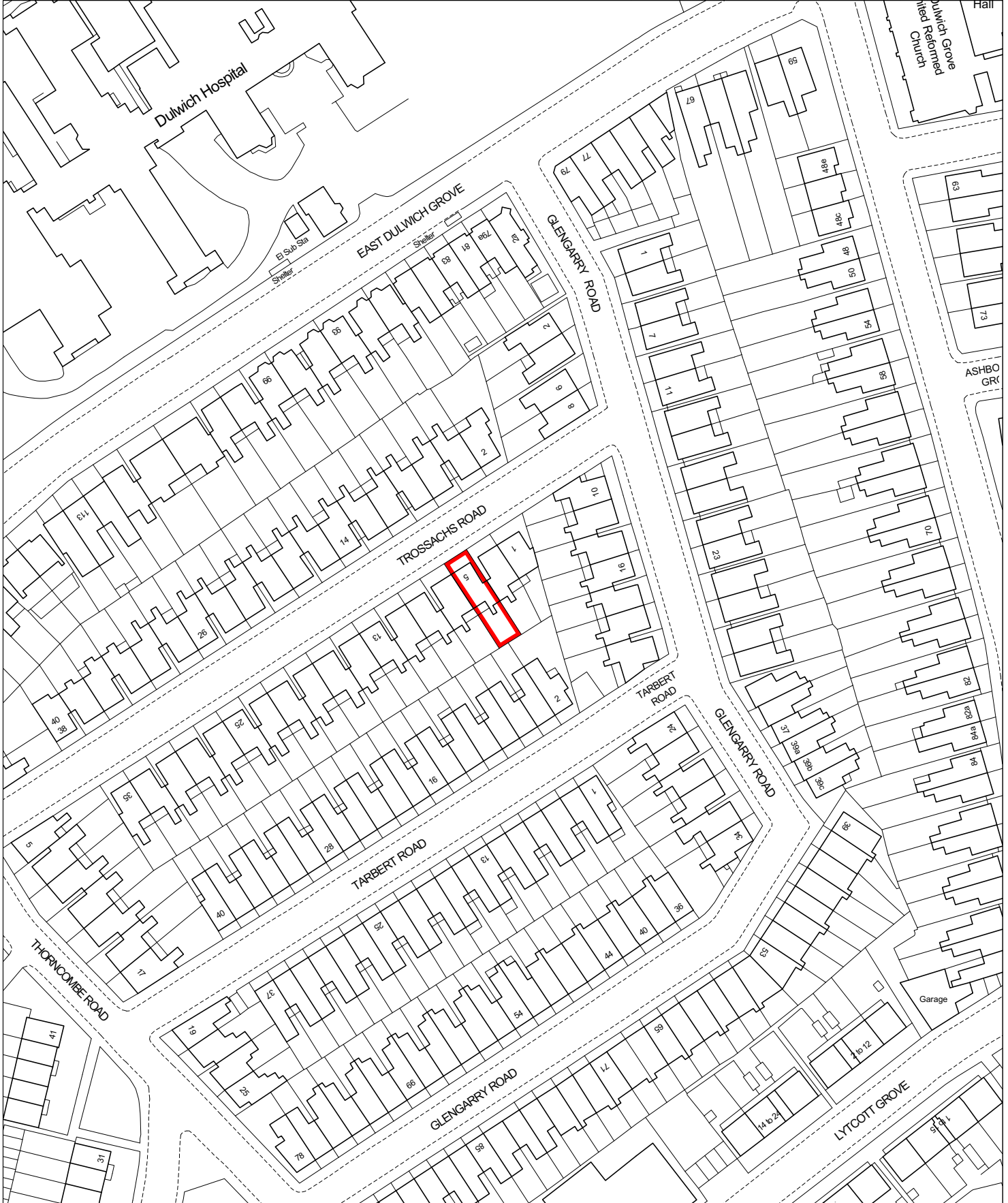
DATE.

29/6/2010

Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. (London Borough of Southwark / Licence No. LA086541).

Original Scale - 1:1250

Subject to variation when reproduced from an Adobe pdf source



Item No. 8.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Approval of the council's Transport for London funded work programme for 2011/12 and indicative programme to 2013/14 for submission to Transport for London	
Ward(s) or groups affected:		All	
Cabinet Member:		Cabinet Member For Environment, Transport And Recycling	

FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR ENVIRONMENT, TRANSPORT AND RECYCLING

1. LiP (Local Implementation Plan) funding is a key source for road safety and transport infrastructural measures in Southwark.
2. As newly appointed Cabinet Member for Transport, Environment & Recycling I wish to thank Transport Planning officers for their success in facilitating community input whilst maximising benefit for our borough.
3. I am confident that if approved, these bids will contribute towards addressing some of the transport infrastructural problems that remain in our busy urban environment.

RECOMMENDATIONS

Recommendations for Cabinet

That the Cabinet

4. Agrees the content of the council's proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL Local implementation plan (Lip) funding in 2011/12 and the indicative programme of work for the years 2012/13 and 2013/14 as contained in appendices A and B.
5. Agrees that the identified programme be submitted to TfL by October 8 2010.
6. Agrees to the implementation of the agreed programme as set out in appendices A and B.

Recommendations for Leader of the Council

That the leader

7. Confirms the authority of the Cabinet member for transport, environment and recycling to amend the programme for 2011/12 should any variations to the proposed programme be required. The cabinet member shall consult community council chairs regarding scheme changes in their area.
8. Delegates authority to the cabinet member for transport, environment and recycling to determine the most appropriate use of the £100K discretionary

funding allocated by TfL for 2011/12.

BACKGROUND INFORMATION

9. Section 145 of the Greater London Authority Act 1999 (GLA 1999) requires each council in London to prepare a Local implementation plan (Lip) to detail how the authority will assist in delivering the Mayor's Transport Strategy.. The council's Lip was approved by the Mayor of London on February 21 2007 and adopted by the council's cabinet on March 20 2007.
10. In May 2010, the Mayor of London published his revised transport strategy all boroughs are required to revise their Local implementation plan in response to the new strategy. The council's transport plan (incorporating the requirements of the local implementation plan) is due for public consultation in December 2010.
11. TfL provides financial assistance to boroughs, sub-regional partnerships and cross-borough initiatives under section 159 of the GLA Act 1999. All councils within London are able to obtain funding on an annual basis to deliver schemes identified in the Lip. This process is part of the Lip annual progress report (APR).
12. The overall TfL Lip budget remains similar with £155 million of transport funding for London authorities in 2011/2012 and £150m for 2011/12 and 2012/13.
13. Southwark's allocation for 2011/12 is £3.126m comprising of £2.774m for corridors and neighbourhoods, £352k for smarter travel and £100k of discretionary funding to be spent as the council sees fit. This is the total funding that the borough should expect to receive for the integrated transport programme.
14. The above allocation does not include major schemes (large urban realm and accessibility projects). The council can still bid for area based schemes separately with £26m available for allocation across London in 2011/12. The council will be resubmitting the Camberwell town centre scheme in October 2010 for funding through this programme.
15. The above allocation does not include maintenance of the principal road network or bridge strengthening and assessment works which are funded on a needs basis. For the former, the council has been provisionally allocated **£354k** for 2011/12 and an indicative maintenance programme is detailed in Appendix B. For the latter, at time of writing, a bid for 11/12 for design/implementation work on the Camberwell Grove Bridge is also envisaged.

KEY ISSUES FOR CONSIDERATION

16. The council's funding allocation for 11/12 of £3.349m is broadly in line with funding received in previous years. In 2010/11 the council received equivalent funding (excluding area based schemes and principal road renewal) totalling £3.537m.
17. A three year programme was developed alongside the 2010/11 programme. In developing this programme officers undertook an assessment of transport issues across the borough based on available data and known issues reported by the community. As a result a number of 'hot spots' were identified in each community council area. Through the community councils, the community were asked to rank these hot spot areas in order of importance, as well as to suggest other

areas not covered. Officers also identified a number of cross borough issues and opportunities as part of this assessment.

18. Given the limited amount of funding available and the number of possible projects in each community council area together with cross borough projects, it was necessary to prioritise projects to take forward. Officers carried out a further assessment balancing local priorities against borough wide priorities and strategic policies and objectives in order to arrive at a final scheme list.
19. This process was repeated in order to refresh the 2011/12 submission and develop the three year rolling programme. It is proposed to fund the further implementation of projects developed in 2010/11 into 2011/12. Officers consulted with community council chairs on the revised programme including any proposed amendments from the indicative programme previously produced. Officers are also attending September community councils to advise the councils of the current programme and any future proposals in their area.
20. There is a natural link between this work, the s106 project banks and other projects identified by the community such as cleaner, greener, safer. In developing the transport improvement programme officers have considered the prioritised Community Project Bank proposals. The schemes identified complement existing proposals, priorities and funding streams. It is noted that s106 contributions are used to mitigate the effect of new development on infrastructure in the vicinity of that development. This source of funding complements and works alongside that received from TfL, in areas where development has impacted on the transport network.
21. Following consideration of community council and strategic priorities the cabinet member for the transport, environment and recycling has agreed the overall scheme list presented in this report. This funding submission is required to be submitted to Transport for London by 8 October for consideration and approval by the Mayor of London.

Policy implications

22. The proposed programme of works is consistent with the council's existing Lip and emerging transport plan as well as the council's broader policy framework and various national and regional policies including the Mayor's Transport Strategy, as required by TfL.
23. The Lip has been prepared to meet the Mayor's Transport Strategy objectives and will help the council to achieve the priorities set out in Southwark 2016: Sustainable community strategy.

Community impact statement

24. It is expected that the proposed schemes that receive funding will provide a tangible positive benefit for those living and working in Southwark and local consultation will be undertaken as part of their implementation.
25. An equality impact statement and a strategic environmental assessment were undertaken as part of the development of the Lip and the impact on the community was considered as part of this. An SEA and EQiA are also being undertaken in developing the borough's transport plan.

26. As proposals are in accordance with both of these documents they should have a positive impact on all Southwark residents. However the council will undertake ongoing monitoring to ensure there are no adverse implications for the community, or that any identified are proportionate to the overall objective of the programme and are minimised where possible.

Impact on child safety

27. Several projects for improving child safety in the borough are included in the funding submission and this has been a key consideration in assessing priority projects. In particular, projects will support the aims set out in the sustainable modes of travel. This assists the borough in meeting its commitments to achieve a 60% reduction in the number of children killed or seriously injured by 2010.

Resource implications

28. Details of the proposed schemes together with indicative costs are set out in appendices A and B.
29. Indicative management and implementation costs for each scheme have been taken into account in the submission.

Consultation

30. In July 2009, officers presented the proposed three year programme and sought local input. Attendees were asked to provide feedback by ranking the projects proposed in their area in order of importance and by suggesting alternative projects. This local information and feedback from the community councils has been a significant factor in the selection of schemes to take forward.
31. With the refresh of this three year programme, officers have consulted the community council chairs in developing the programme and will be attending community council meetings in September to seek local views. These local views help to shape both the programme and priorities contained within as well as future years submission.
32. Once the projects we are proposing have been confirmed by TfL, separate formal consultation, in accordance with the council's policies and commitments, will be undertaken prior to their detailed design or implementation. This provides the opportunity for community councils and residents to influence the detailed design. In addition, community councils will be given the opportunity to influence the delivery of cross-borough proposals affecting their area.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law and Governance

33. Cabinet are being asked to agree the content of the council's proposed submission to TfL identifying the transport projects to be delivered with TfL Lip funding in the year 2010/11 and also to agree the indicative programme of works for the years 2011/2012 , 2012/2013 and 2013/14.
34. The Leader is recommended to vary the delegated authority to confirm the Cabinet Member for Transport, Environment and Recycling has authority to vary the proposed programme . The Cabinet Member will do this in consultation with

community council chairs. Full consultation of all eight of the Community Councils took place in July 2009 and is taking place in September 2010 in accordance with Paragraph 20 of Part 3H of the Constitution, therefore any further amendments can be approved by the Cabinet Member for Transport, Environment and Recycling .

35. In addition to the above, the Leader is recommended to delegate to the Cabinet Member for Transport, Environment and Recycling the authority to decide the most appropriate use of the £100k discretionary funding allocated by TfL for the year 2010/2011. The funding must be used for transport purposes which must be consistent with the Mayor's Transport Strategy. The council's proposed programme of works satisfies this criteria.
36. This report is being put before Cabinet for a decision under Part 3B of the Constitution. Paragraph 4 of that Part which is headed "Policy" states that Cabinet will be responsible for determining the council's strategy and programme in relation to the policy and budget framework set by the council. The following paragraph 5, states that Cabinet is responsible for determining the authority's strategy and programme in relation to social, environmental and economic needs of the area.

Departmental Finance Manager

37. This report is seeking the agreement of the Cabinet to the council's proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL Lip funding in 2011/12 and the indicative programme of work for the years 2012/13 and 2013/14.
38. There are no adverse resource implications if this report is approved. Funding will come entirely from TfL budgets.

Strategic Director of Environment and Housing

39. Environment and Housing directorate has been consulted on the contents of the report and supported the production of the evidence for the projects contained in the appended programme. The directorate supports the programme.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Local implementation plan, including road safety plan, school travel plan strategy, parking and enforcement plan, walking plan, and cycling plan	Planning and Transport, 5 th Floor, Tooley Street	Sally Crew on 020 7525 5564

APPENDICES

No.	Title
Appendix A	Integrated transport programme proposals
Appendix B	Maintenance programme (principal road renewal and bridge assessment and strengthening) proposals

AUDIT TRAIL

Cabinet Member	Cllr Barrie Hargrove, Cabinet Member for Environment, Transport and Recycling	
Lead Officer	Anne Lippitt, Strategic Director for Regeneration and Neighbourhoods	
Report Author	Sally Crew, Group Manager Policy and Programmes	
Version	Final	
Dated	10 September 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
Strategic Director of Environment and Housing	Yes	
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	10/09/2010	

APPENDIX A Provisional LTP delivery programme 2011/12 to 2013/14

Programme area	Allocation £000
Corridors and Neighbourhoods	2,774
Smarter travel	352
Total allocation	3,126

Project	Type	Community Council	Description	Cost £000		
				2011/12	2012/13	2013/14
Travel awareness campaigns and events	Smarter travel	Boroughwide	Various events and activities associated with promoting smarter travel choices. Including mobility week, Dr Bike and travel awareness for 'Corridors & Neighbourhoods' schemes.	77	77	77
Road Safety education, training and publicity	Smarter travel	Boroughwide	Campaigns and events to encourage safer travel behaviour. Including independent travel training, child road safety, LGV and cyclist campaigns and theatre for children and the elderly.	92	92	92
School Travel Plan initiatives	Smarter travel	Boroughwide	Encouraging the use of sustainable modes of travel to and from school, especially active travel, through school travel plans. This includes staffing a school travel plan advisor, campaigns such as Walk to School and WoW, small grants and small infrastructure works.	123	123	123
Travel Plan support and implementation	Smarter travel	Boroughwide	Advice and support for travel planning groups and travel plan development and implementation. Includes staffing, implementation of the councils own travel plan and providing funding for local travel planning groups.	60	60	60
Cycle training	Corridors & Neighbourhoods	Boroughwide	Provision of cycle training across Southwark. To cover staffing, management, promotion, publicity and delivery of training sessions to all groups	170	170	170
Surveys	Corridors & Neighbourhoods	Boroughwide	Cross borough programme of surveys and monitoring at a strategic level, including walking, cycling and traffic counts	40	40	40
Speed reduction measures (boroughwide)	Corridors & Neighbourhoods	Boroughwide	General speed reduction measures, including ISA devices on council fleet vehicles	25	25	25
Sustainable travel infrastructure	Corridors & Neighbourhoods	Boroughwide	Identification and delivery of on street cycle parking, dropped kerbs, estate cycle parking and other measures to support sustainable modes of travel	60	60	60
East Dulwich public realm and pedestrian access scheme (Grove Vale and Lordship Lane)	Corridors & Neighbourhoods	Dulwich	Public realm and improved access to East Dulwich station, improved pedestrian crossing provision on Lordship Lane, speed reduction measures on Grove Vale	400		
Southampton Way (between Bowyer Place and Commercial Way)	Corridors & Neighbourhoods	Camberwell	Public realm, cycling infrastructure and parking improvements			
Peckham Hill Street	Corridors & Neighbourhoods	Peckham	Road safety and bus stop interchange improvements (20mph limit)			
Camberwell Road junction with Wyndham Road	Corridors & Neighbourhoods	Camberwell	Introduction of pedestrian phasing at the junction of Camberwell Road with Wyndham Road			
Lower Road junction with Plough Way	Corridors & Neighbourhoods	Rotherhithe	Remove No Entry restriction to allow through access to Rotherhithe New Road	100		
Bird in Bush Road	Corridors & Neighbourhoods	Peckham	Raised zebra to improve road safety and access to the canal and the introduction of a 20mph speed limit on this stretch of road			
Accessibility around the Brunel Museum	Corridors & Neighbourhoods	Rotherhithe	Access to the Brunel museum and the river Thames, including widening footways, declutter and signage			
East Street	Corridors & Neighbourhoods	Walworth	Improvements to the market area and safety at the junction with Portland Street			
The Blue and surrounds	Corridors & Neighbourhoods	Bermondsey	Works to complement the ILRE funding, safety and pedestrian accessibility improvements			
Peckham Rye South (between Scylla Road, East Dulwich Road and Nunhead Lane)	Corridors & Neighbourhoods	Nunhead and Peckham Rye	Review of signalised junctions, pedestrian and cycle improvements. Extended to cover Scylla, Whorlton and Old James Road. Year 2 of scheme.	575		
Southwark Park Road/Grange Road (between St James's Road and Tower Bridge Road)	Corridors & Neighbourhoods	Bermondsey	Road safety and access to Spa Park. Reduce speeds and address vehicle dominance. Year 2 of scheme.	180		
Albany Road (between Old Kent Road and Camberwell Road)	Corridors & Neighbourhoods	Walworth	Average speed camera trials and associated measures to calm traffic and improve accessibility for pedestrians. Year 2 of scheme.			
Copeland and Consort Road	Corridors & Neighbourhoods	Nunhead and Peckham Rye	Changes to the roads forming the one-way system in order to improve safety, reduce speeds and reduce community severance. Year 2 of scheme.	100		
EVCB	Corridors & Neighbourhoods	Boroughwide	Further implementation of electric vehicle charging points and running costs (subject to trial in 10/11)	25	25	25
West Walworth	Corridors & Neighbourhoods	Walworth	Legibility, permeability and accessibility improvements on streets to the west of Walworth Road	250		
Forest Hill Road	Corridors & Neighbourhoods	Nunhead and Peckham Rye	St Francesca Cabrini STP measures in year 1 and general speed reduction measures in year 2	165	600	
Paxton Green	Corridors & Neighbourhoods	Dulwich	Reconfiguration of the roundabout in order to reduce speeds and improve pedestrian access through the area, particularly for school children. Wider STP measures for local schools. Complements Lambeth scheme in area.	398	200	
Greenland Pier	Corridors & Neighbourhoods	Rotherhithe	Part funding for pier maintenance to allow river services to resume and local environmental improvements	235		
Lant (Mint) Street	Corridors & Neighbourhoods	Borough and Bankside	Measures to deter through traffic from using Mint Street/Weller Street/Lant Street.	64		
Barry Road and Underhill Road	Corridors & Neighbourhoods		Safety measures at the junction of Barry Road and Underhill Road in year 1, wider speed reduction measures and junction treatments on Barry Road in year 2.		425	
Bellenden Road	Corridors & Neighbourhoods	Nunhead and Peckham Rye	Small scheme to reduce speeds on cycle route and improve access to the Highshore primary		160	
Ilderton Road	Corridors & Neighbourhoods	Rotherhithe	Collision reduction. Pedestrian and cycling improvements		250	150
Long Lane	Corridors & Neighbourhoods	Bermondsey	STP measures		49	
Camberwell Road	Corridors & Neighbourhoods	Camberwell	Junction reviews		100	280
Malfort Road area (depends on bridge work)	Corridors & Neighbourhoods	Camberwell	Speed reduction and school access		164	
Salter Road	Corridors & Neighbourhoods	Rotherhithe	Speed reduction - cameras		250	
Newington Causeway	Corridors & Neighbourhoods	Borough and Bankside	Significant footway widening and junction remodelling		200	
Bellenden area	Corridors & Neighbourhoods	Nunhead and Peckham Rye	Traffic management based on outcome of Peckham model		250	
Denmark Hill south	Corridors & Neighbourhoods	Camberwell	Improve access to and between hospitals and reduce collisions			76
Lordship Lane	Corridors & Neighbourhoods	Dulwich	Collision reduction and pedestrian access improvements			421
Rotherhithe New Road	Corridors & Neighbourhoods	Rotherhithe	Collision reduction, school and park access, new cycling route			672
Rye Lane	Corridors & Neighbourhoods	Nunhead and Peckham Rye	Footway widening, loading improvements, urban realm			357
East Dulwich Grove	Corridors & Neighbourhoods	Dulwich	Speed reduction and pedestrian access			514
Hollydale/Evelina Road - renewal scheme	Corridors & Neighbourhoods	Nunhead and Peckham Rye	Collision reduction			150
Grove Lane	Corridors & Neighbourhoods	Camberwell	STP measures (Lyndhurst)			166
				2011/12	2012/13	2013/14
Totals				3,139	3,320	3,458
Corridors and Neighbourhoods				2,787	2,968	3,106
Smarter travel				352	352	352

APPENDIX B

**MAINTENANCE PROGRAMME (PRINCIPAL ROAD RENEWAL & BRIDGE
ASSESSMENT AND STRENGTHENING)**

Southwark has been allocated indicative funding of £354k for its maintenance programme for 2011/12, but asked to submit proposals up to 25% above that figure (giving a total of £452k) to allow for possible reserve schemes.

The table below shows the principal roads (excluding TfL roads / red routes) in Southwark which have been prioritised according to need, based on condition surveys.

Road name	Cost of footway	Cost of carriageway	Total
Champion Park	£84,871.00	£130,294.00	£208,883.00
Rotherhithe Old Road	£69,851.00	£139,702.00	£209,553.00

In addition to this the following bridges will be looked at in terms of assessment and strengthening, subject to approval from LoBEG.

Willowbrook Road Bridge
Commercial Way Bridge
Camberwell Grove Bridge

Item No. 9.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		A Fairer Future for All in Southwark - Principles for Budget Setting	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Peter John, Leader of the Council	

RECOMMENDATION

1. That the Cabinet agrees the following principles.

KEY ISSUES FOR CONSIDERATION

- (i) At a time of unprecedented cuts proposed by central government, the 2011 Southwark budget should continue to prioritise the commitments made by the Cabinet at its first meeting as a new administration in June and its vision to create a fairer future for all by promoting social and economic equality in an economically vibrant borough.
- (ii) We recognise that some services currently provided by the council may be lost, and some may change. However, we will do all that we can to protect our front-line services and support our most vulnerable residents.
- (iii) We will ensure that the services which the council delivers provide value for money, value for council tax payers and contribute towards delivering our vision of creating a fairer future for all in Southwark.
- (iv) We will explore alternative ways of providing a service prior to proposing any cut or reduction. This will include talking to partner organisations, the voluntary sector, the trade unions, the business community and other local authorities.
- (v) We will be transparent with any specific group or groups of users who may be affected by any cut or reduction in service provision as soon as possible and explore with them other ways to provide the service. We will conduct an equalities impact assessment for our budget proposals.
- (vi) Before proposing any cut or reduction we will have a clear and comprehensive explanation for why that service should be cut, reduced or no longer provided by the Council, and this explanation should be capable of being subject to robust challenge.
- (vii) Budget proposals should be based on a three year approach and should have regard to innovative ways of providing services and maintaining employment in the borough.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
A Fairer Future for All in Southwark – Cabinet report 15 June 2010	Corporate Strategy 160 Tooley Street	Graeme Gordon 020 7525 7384

AUDIT TRAIL

Cabinet Member	Cllr Peter John, Leader of the Council	
Lead Officer	Graeme Gordon, Head of Corporate Strategy	
Report Author	Cllr Peter John, Leader of the Council	
Version	Final	
Dated	8 September 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	9 September 2010	

Item No. 10.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Quarter 1 Revenue Monitoring Report – 2010/11	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Finance and Resources	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE AND RESOURCES

1. The report below sets out the current forecast for the general fund and the housing revenue account for 2010/11 based on month 3 revenue monitoring.
2. Cabinet should note the adverse variances currently forecast. The position is not unusual for the authority at this point in the year and these variances should be manageable if the actions set out in the report are undertaken. A particular issue this year has been the unprecedented imposition of in-year cuts by central government.
3. However, these variances need to be tackled promptly if we are to remain within budget for the year. The recommendation below therefore requests strategic directors to take the further action necessary to manage the cost of services within the agreed budget.
4. Cabinet are also asked to note the treasury management activity for the first quarter of 2010/11. No new borrowing was taken in this period and debt to fund past capital spending remains at £762m. No debt is due to mature in this financial year. The council's investments total £231.8m and the low level of return from this, given the current state of money market rates, should be noted.

RECOMMENDATIONS

5. That the cabinet notes:
 - the general fund outturn forecast for 2010/11 and the forecast net movement in reserves;
 - the general fund budget movements and explanations;
 - the housing revenue account's (HRA) forecast outturn for 2010/11 and movement in reserves.
6. That the cabinet notes the treasury management activity for the first quarter of 2010/11.
7. That Cabinet instructs Strategic Directors to take further necessary action to manage the cost of services within the agreed budget.

BACKGROUND INFORMATION

General fund

8. The council agreed a balance budget of £319.9m on 23 February 2010 based on a nil council tax increase.
9. The budget plan recognised a number of key commitments and cost pressures. In children's services there has been a significant increase in the number and complexity of cases where children require social care intervention and support, at a time that additional rigour is 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.
10. The health and community services budget includes a commitment of £1.5m which is supporting approximately 30 young adults with learning disability care needs in transition to adult social care.
11. Other significant commitments include 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.
12. The effect of continued economic uncertainty on council services requires close management and £4.0m of commitments were 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.
13. The council also approved target efficiency savings of £13.4m within general fund and a further £7.3m within the housing revenue account. Performance on achieving these savings is closely monitored and details are provided in paragraphs 33 to 37 below.
14. In view of the current economic climate and uncertainty with regards future grant settlements, the Finance Director and other Chief Officers will closely monitor and review business plans, budgets and processes.

Treasury management

15. At the time of setting the budget, the council held some £258m in cash and £762m in debts. The cash earns interest until it is needed in spending and the debt funds current and past capital spend met through borrowing. In managing these activities local authorities should, under the Local Government Act 2003, have regard to guidance on investments and sums set aside to repay debt issued by the Government and the Treasury Management in the Public Services Code of Practice and the Prudential Code for Capital Finance in Local Authorities, issued by the Chartered Institute of Public Finance and Accountancy CIPFA.

KEY ISSUES FOR CONSIDERATION

Current forecast position

16. Currently there is an unfavourable variance of £4.2m projected for the general fund in 2010/11 based on the limited information available up to the end of June. At present, these estimates do not reflect the impact of the stringent management action being implemented by the strategic directors to address this position as it is too early in the process. However this will be closely monitored and further updates will be given in the subsequent monitors. All strategic directors are working to ensure that by the end of the year the budget, as agreed through the policy and resources strategy in February by council assembly, will be delivered on target.
17. This level of unfavourable variance is not inconsistent with projections at this point in previous years. Quarter 1 monitors for 2007/08, 2008/09 and 2009/10 showed unfavourable variances of £5.572m, £2.867m and £5.878m respectively.
18. The overall forecast position is as follows:

Table 1 – Summary forecast outturn

Account/Fund	Forecast outturn variance adverse / (favourable) £'000
General fund	4,189
HRA	4,215
Collection fund	1,135

General fund budget month 3 monitor

19. Table 2 below shows the current forecast outturn position for quarter 1 (based on Month 3 – as at 30 June 2010) by department.

General fund	2010/11 Original budget	Budget movements	2010/11 revised budget as at month 3	2010/11 Forecast outturn at month 3	Variance - over / (under)
	£'000	£'000	£'000	£'000	£'000
Children's services	99,674	(256)	99,418	99,818	400
Health and community services	118,810	(105)	118,705	121,117	2,412
Environment and housing	76,074	(226)	75,848	76,916	1,068
Regeneration and neighbourhoods	26,968	(628)	26,340	26,739	399
Major projects	3,328	1,362	4,690	4,690	0
Deputy chief executive	46,271	(458)	45,813	45,813	0
Communities, law & governance	13,070	(45)	13,025	13,025	0
Finance & resources	34,727	(2,445)	32,282	32,192	(90)
Support costs recharge income	(58,858)	0	(58,858)	(58,858)	0
Strategic and corporate	1,606	1,834	3,440	3,440	0
Total general fund before appropriations	361,670	(967)	360,703	364,892	4,189
Appropriations to/(from) reserves	2,195	967	3,162	3,162	0
General fund total	363,865	(0)	363,865	368,054	4,189
Area based grant	(43,956)	0	(43,956)	(43,956)	0
Net total	319,909	(0)	319,909	324,098	4,189
Schools budget	0	0	0		0
Appropriation to/(from) DSG reserves	0	0	0		0
Total	319,909	(0)	319,909	324,098	4,189

Note: Explanations of budget movements are provided in appendix B.

Children's services

20. The children's service financial position is forecast to be an adverse variance of £400k due to ongoing social care related cost pressures of social worker recruitment and retention. It is hoped that, during the financial year this cost pressure will be either managed 'down' or mitigated by other favourable variances. Placements' for looked after children, a key budget pressure, is currently forecast as within budget supported by an additional £1.17m investment in 2010/11. Children's services are forecast on track to meet the £2.2m savings targets identified as part of the 2010/11 budget process.

21. Children's services budget pressures are being addressed in the context of a series of in year budget cuts as a part of the government announcements to reduce the national deficit. These budget revenue cuts now stand at £2.45m, equivalent to 2% of core funding.

Health and community services

22. Health and community services is forecasting an adverse variance of £2.4m at 30 June 2010 for 2010/11.
23. There are two major reasons for the forecast overspend. One is delays and complexities in delivering service redesign and the savings programmed. This will be a continued focus of management action.
24. A range of actions to mitigate the budget pressures have been initiated to manage within overall available resources. This is in the context of pressures, particularly in the area of younger disabled people.

Environment and housing

25. The overall variance of £1m should be considered as a cautionary forecast at this stage of the financial year. £200k relates to unbudgeted service closures costs due to loss of income claimed from fusion for the Camberwell Leisure Centre, where the external funding was secured and capital works were programmed after the revenue budgets were finalised. The other £800k is due to the delays in the implementation of the new structure in the wardens service. On the plus side, there also may be one off savings within the waste management contract due to reduction in waste tonnage. However, it is too early to quantify the resulting savings. This coupled with management action currently being reviewed, it is anticipated that the overall variance will decrease significantly.

Regeneration and neighbourhoods

26. The regeneration and neighbourhoods department is projecting an overall adverse variance of £399k.
27. The main reason for this forecast is a lower than expected fee income within building control and development management unit. While the number of applications has slightly increased compared to this time last year, the average value of each application has reduced. This is attributed to the continuing sluggishness of the property market. This forecast income shortfall is being closely monitored with a view to taking management action if the trend continues into the 2nd quarter.
28. Favourable variances forecast within the housing options service and departmental business support help to limit the overall variance forecast for the department.

Major projects

29. The budget and forecast outturn for the major projects service reflects a contribution from the HRA of £1.545m in relation to the Aylesbury project and planned use of reserves in respect of Southwark schools for the future secondary programme of £392k, and the Bermondsey Spa and Canada Water projects of £980k. The use of reserves is being reviewed before confirmation for the formal application and approval process.

Deputy chief executive

30. The deputy chief executive's department (DCE) is currently forecasting a nil variance for 2010/11. The figures include organisational development and the corporate programme unit, which were transferred to children's services and finance & resources respectively with effect from 1 January 2010. They still report to the DCE on the SAP structure, and they will be included in their new departments' monitoring reports when the budgets have been transferred on SAP.

Housing revenue account

31. Initial forecast at month 3 shows adverse £4.2m variance against budget. Following on from last year, underlying spending pressure remains in the system, particularly in relation to the management and maintenance of the housing stock which is subject to management action with a view to achieving a balanced outcome by year-end. In addition, the report highlights a number of potential and known costs, e.g. Heygate and Aylesbury regeneration and exceptional items such as Lakanal and Sumner, which in totality are forecast to exceed budget. In the event, any budget shortfall becomes a first call against HRA reserves, subject to availability.

32. Table 3: Estimated projection of HRA outturn position for 2010/11 as at 30 June 2010 (M03)

	Net Expenditure		
	Full Year Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
<u>Regeneration & neighbourhoods</u>			
Housing Strategy & Options - Community Housing Services	1,767	1,768	1
Housing Strategy & Options - Strategy & Regeneration	1,728	1,797	69
<u>Strategic services</u>			
Debt Charges & Financing	101,201	101,231	30
Major Project Costs	6,000	7,200	1,200
<u>Environment & housing</u>			
Housing Management	(96,045)	(93,505)	2,540
Home Ownership Unit	(28,679)	(28,294)	385
Other Services	14,028	14,018	(10)
<u>HRA carry forward</u>	0	0	0
Housing total	0	4,215	4,215
Contribution from reserves			(4,215)

Savings and efficiencies - 2010/11 budget - Quarter 1

33. For the general fund and HRA combined, the council targeted savings and efficiencies of more than £20m in 2010/11. These savings are monitored closely throughout the year as their delivery is important to the achievement of the council's business plan and to support the delivery of critical services to residents and businesses. A summary of the current position is shown in table 4 below.

Table 4: Savings and efficiencies as at Quarter 1

	Agreed by Council £'000	Total Forecast Savings £'000	Variance £'000
Children's services	(2,200)	(2,200)	0
Health and community services	(3,280)	(2,410)	870
Environment and housing	(1,528)	(1,528)	0
Regeneration and neighbourhoods	(907)	(807)	100
Major projects	(220)	(220)	0
Communities, law and governance	(583)	(583)	0
Deputy chief executive	(820)	(820)	0
Finance and resources	(893)	(878)	15
Corporate	(3,000)	(3,000)	0
Total General Fund	(13,431)	(12,446)	985
HRA	(7,328)	(5,729)	1,599
Total Savings 2010/11	(20,759)	(18,175)	2,584

34. In health and community services there is a £870k variance due to the following projects;
- learning disabilities - £300k slippage due to CQC delays in de registration
 - homecare - £470k slippage due to contractual complexities
 - implementation of corporate approach to welfare rights service (£100k) has been delayed
35. In regeneration and neighbourhoods, there is a £100k variance in the budgeted and projected income from advertising boards. Less than 20% of the expected 1st quarter target receipts were realised. Officers are exploring other savings options to enable all budgeted savings to be achieved during 2010/11.
36. In finance and resources a variance of £15k is being reported. This is a result of property being let out later than was expected and as such will bring in less revenue over the year. Some of this variance should be mitigated through insurance premiums which will be added to rents.
37. There are a number of variances from budget that comprise the likely underachievement of £1.6m. within the HRA.
- Anticipated savings of £1m proposed through improving the Quantity Surveying function by bringing it in-house may not now be realised in full in the current year. A concerted programme of management action is in place to address this and the new Quantity Surveying team have now shifted its focus to the R&M contract, where they have identified operational problems with the contract. New procedures to ensure consistency of void work specifications will deliver significant savings, but may not be sufficient in the short-term to

fully mitigate the early outturn forecast. Q2 should give a more realistic assessment of progress and likely outturn.

- Plans to introduce a differential charging policy for garages has slipped as early proposals have been modified following consultation with residents. Initial income projections are forecast to be below target by £450k. A report setting out proposals to increase garage rents is due to be considered by Cabinet in September, which will go some way to mitigate the position in the current year and provide a more consistent charging baseline for the future.
- £33k of additional commercial income assumed for 2010/11 is now unlikely to be achieved. This figure was predicated on previous activity levels which are being adversely affected by higher voids, due to the economic downturn. However, there is an expectation that this will be offset by reductions on the expenditure side. This activity is subject to review during 2010, with a view to improving the net budget position.
- Budget savings arising from the accommodation review will not now be fully realised during 2010/11. It is estimated that around half of the £0.2m savings identified can be delivered in year one, with the full sum achievable from year two onwards.
- Efficiency savings of £63k identified through the rationalisation of secretarial and administrative support to the Housing Strategy & Options division has had to be scaled back to £47k leaving a shortfall of £16k. However, it may be possible to mitigate this through other savings within the division over the remainder of the year.

Reserves

38. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are maintained 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 expected to deliver future ongoing revenue savings. They are also held for investment in regeneration and development where spend may be subject to unpredictable market and other influences.
39. This year the current projected net movement on reserves include:
- a significant contribution to reserves for technical accounting reasons in relation to smoothing the rental charge for Tooley Street over the first five years. This effectively allows the council to reflect the average rent charge over this period taking into account the rent free period.
 - a call on reserves in respect of the regeneration projects around Canada Water and Bermondsey Spa of £980k,
 - and a call of £392k in respect of Southwark schools for the future.
40. The 2010/11 budget includes a planned contribution to reserves of some £2.2m. This includes:
- £900k contribution to the modernisation reserve held for investment in modern ways of working and process re-engineering and that allow for efficiency savings to be delivered in the future
 - £300k set aside for the future costs that will arise through changes in the

council's management structure as the modernisation agenda is taken forward

- £1m contribution to reserves to support the ongoing regeneration and development agenda within the borough.

41. The table below show summarises the projected movements in reserves.

Table 5 - Summary of projected reserve movements in 2010/11

Reserve	2010/11 opening balance £'000	Projected change in reserves £'000	Release of reserve for capital £'000	2010/11 forecast closing balance £'000
General fund earmarked	(61,377)	(3,162)		(64,539)
DSG reserve	(4,010)			(4,010)
Schools Balances	(10,114)			(10,114)
HRA earmarked	(14,124)	4,215		(9,909)
Total	(89,625)	1,053	0	(88,572)

Collection fund

42. 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 demonstrate the way in which these have been distributed to preceptors and the general fund. The council must take into account the estimated surplus or deficit on the collection fund balance when setting the council tax for the following year.

43. The latest calculations estimate the balance on the collection fund to be a deficit of £1.135m as at 31 March 2011.

44. The estimate is based on June system reports but adjusted for level of 'reliefs and exemptions' applied, which are assumed to be at a level similar to the 2009/10 outturn proportion. This therefore takes into account the sharp increase in exemptions that were applied late on in 2009/10 and resulted in there being a significant difference between the projected and outturn position in 2009/10.

45. Although the number of properties per the valuation office listing has increased since the 2010/11 council tax setting, the estimated deficit position has increased by £439K. This is because it is anticipated that more properties will fall under the 'reliefs and exemptions' than had been expected.

Treasury management

46. At 30 June 2010, the council had £762m in debt and £232m in cash. The debt funds past capital expenditure not otherwise met from capital receipts, grants or revenue, and the cash is invested until it is used in spending.

47. The council continues to take a cautious approach to investing in the face of ongoing concerns about the economic recovery and in the interest of security and liquidity the cash is only placed on deposit with major banks/building societies, money market funds, and bonds issued or guaranteed by the UK government or

supranational bodies such as the European Investment Bank and the International Bank for Reconstruction and Development (the World Bank).

48. Three investment firms (AllianceBernstein, Aberdeen Fund Management and Invesco Asset Management) manage the council's exposure to certificates of deposits (liquid bank deposits) and bonds and an in-house operation focuses on meeting day to day cash volatility using money market funds, call accounts and short term deposits.
49. The sum invested with each counterparty at 30 June 2010 is set out below. The part-year return for the quarter to June 2010 was 0.3%, reflecting the very low level that money market rates have been at since last year.

COUNTERPARTY EXPOSURE & RATING at 30 June 2010						
Counterparty	£m	Long Term Rating	Short Term Rating	Support Rating	COUNTRY	Country Rating
BARCLAYS BK	14.0	AA-	F1+	1	UK	AAA
BANQUE NATIONALE de PARIS	4.6	AA-	F1+	1	FRANCE	AAA
CREDIT AGRIC CIB	7.0	AA-	F1+	1	FRANCE	AAA
CREDIT INDUST ET COMRCL	5.4	AA-	F1+	1	FRANCE	AAA
DANSKE BK	0.5	A+	F1+	1	DENMARK	AAA
EUROPEAN INV BK	15.4	AAA	F1+		SUPRANATIONAL	AAA
GLOBAL TREAS FUNDS-MMF	0.1	AAA			MONEY MKT FUND	
HSBC	0.4	AA	F1+	1	UK	AAA
ING BK	12.5	A+	F1+	1	NETHERLANDS	AAA
INT BK RECONST DEVT	2.8	AAA	F1+		SUPRANATIONAL	AAA
LCR FINANCE-UK GUARANTD	10.7	AAA	F1+	1	UK	AAA
LLOYDS TSB/BK SCOTLAND	27.1	AA-	F1+	1	UK	AAA
NATIONWIDE BSOC	18.7	AA-	F1+	1	UK	AAA
NORDEA BK FINLAND	11.0	AA-	F1+	1	FINLAND	AAA
RABOBANK	0.5	AA+	F1+	1	NETHERLANDS	AAA
RBS/NATWEST	30.0	AA-	F1+	1	UK	AAA
SANTANDER UK	8.6	AA-	F1+	1	UK	AAA
SOCGEN	7.0	A+	F1+	1	FRANCE	AAA
UBS	4.0	A+	F1+	1	SWITZERLAND	AAA
UK TREASURY	51.5	AAA	F1+		UK	AAA
Grand Total £m	231.8					

50. No new borrowing was taken this quarter and debt to fund past capital spending remains at £762m, the level it was at throughout 2009/10. All debts are at fixed rates from the Public Works Loans Board (a division of HM Treasury and a competitive source of funds). There is no debt maturing this year so no replacement finance is needed. However funds may be needed to pay for future capital expenditure ahead of receipts or other funding.

Community impact statement

51. This report monitors expenditure on council services, compared to the planned budget agreed in February 2010. Although this report has been judged to have no or a very small impact on local people and communities, the projected expenditure it is reporting reflects plans 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.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
2010/11 revenue monitoring	160 Tooley Street	Vernon Smith 0207 525 57355
2010/11 treasury activity		Karsan Varsani 0207 525 54301

APPENDICES

No.	Title
Appendix A	Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)
Appendix B	Explanation of budget movements shown in Table 2

AUDIT TRAIL

Cabinet member	Councillor Richard Livingstone – Finance and Resources	
Lead officer	Duncan Whitfield - Finance director	
Report author	Cathy Doran, Head of budgets, monitoring and programming	
Version	Final	
Dated	10 September 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to constitutional team		10 September 2010

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Service and Division	Explanation
Children's services	
Specialist children's services Budget £ 52,304k Forecast £ 52,704k Variance £ 400k	<p>The children's service financial position is forecast to be an adverse variance of £0.4m due to ongoing social care related cost pressures of social worker recruitment and retention. It is hoped that, during the financial year this cost pressure will be either managed 'down' or mitigated by other favourable variances. Purchase Placements, a key budget pressure, is currently forecast as within budget; supported by an additional £1.17m investment in 2010/11.</p> <p>Children's Services are forecast on track to meet the £2.2m savings targets identified as part of the 2010/11 budget process.</p>
Health and community services	
Summary Budget £ 118,705k Forecast £ 121,117k Variance £ 2,412k	
Commissioning Budget £11,768k Forecast £12,257k Variance £ 489k	There are pressures relating to savings from the block contract review because of the complexity of the contract.

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Health and community services	
Physical Disabilities Budget £ 11,584k Forecast £ 12,210k Variance £ 626k	There are continuing pressures in care budgets (homecare and placements) due to a small number of clients with high needs.
Welfare rights Budget £ 178k Forecast £ 406k Variance £ 228k	There is a corporate review of council-wide benefits advice service, which has been delayed.
Older People/ Intermediate Care Team Budget £ 25,307k Forecast £ 25,890k Variance £ 583k	Slippage relating to an ongoing project to review community packages in respect of older people.
Community Care Management Budget £ 200k Forecast £ 559k Variance £ 359k	Provision has been made for the cost of the upgrade to CareFirst amounting to £500k for which there is no budget provision. A bid for capital funding has been made.
Learning Disabilities (Pool and Non Pool) Budget £ 29,732k Forecast £ 30,286k Variance £ 554k	There are continuing pressures in learning disabilities (homecare and placements) due to more sophisticated needs of clients and improving life expectancy.
HSC Other Budget £ 39,936k Forecast £ 39,508k Variance (£ 428k)	Lower than budgeted spend in Mental Health services and general efficiencies.

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Environment and housing	
<p><u>Summary</u></p> <p>Budget £76,074k Forecast £77,139k Variance £ 1,068K</p>	
<p>Public Realm</p> <p>Budget £14,184k Forecast £14,184k Variance £ 0k</p>	<p>Similar to other authorities the overall Parking PCN issuances is below target. The risk is quite high that the target income for the year may not be achieved. The economic downturn and better compliance are the causes of the deficit.</p> <p>However, it is too early to estimate the potential reduction in income. The division is therefore, currently projected to be within budget.</p> <p>As a result of delay in implementing increased fees and charges proposed for Street Markets and actions taken to strengthen the management of the unit, the planned reduction of deficit brought forward from previous years will not be implemented in time. The Head of Service is working on a number of measures to reduce the deficit and put the accounts on a better footing.</p>
<p>Community Safety</p> <p>Budget £15,516k Forecast £16,283k Variance £ 767k</p>	<p>The adverse variance is predicted within the wardens business unit. No income has been recognised for 2 contracts which are in the final stages of negotiation. There have been delays in the implementation of aspects of the new structure. In addition, the staffing requirements for the new contracts have not yet been finalised. Due to these uncertainties, the current staffing level is projected for the whole year, resulting in an adverse variance. The head of division is preparing a detailed action plan and is confident that significant reductions can be made to minimise the variance by year end.</p>

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Environment and housing	
<p>Sustainable Services</p> <p>Budget £31,372k</p> <p>Forecast £31,328k</p> <p>Variance (£ 44k)</p>	<p>The division is currently projecting an overall favourable variance of £44k mainly as a result of additional income generated from pest control services.</p>
<p>Culture, Libraries, Leisure and Learning</p> <p>Budget £14,499k</p> <p>Forecast £14,844k</p> <p>Variance £ 345k</p>	<p>Libraries: Forecast to come in on target.</p> <p>Leisure: Current forecast is an adverse variance of £345k. There are pressures totalling £210k that relate to seven months worth of compensation (£30k per month) payable to Fusion for income loss on Camberwell Leisure Centre during its refurbishment. These costs were not anticipated at budget stage since the works were programmed later in the year, when external funding became available. Negotiations are underway with Fusion to vary the contract and/or reduce the claim. A further £50k has been built in as contingency for potential closures during the year at the centres not yet in capital programme for refurbishment. Finally, the delayed restructuring within Community Sports, due to long term absence of key staff, is forecasted to cost £50k.</p> <p>Culture: Currently the culture service is forecast to come in on target, although the situation will become clearer after the summer events season.</p> <p>Adult Learning Service: The situation in the adult learning service has been resolved and the forecast is for the service to come in on budget.</p>

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Regeneration and neighbourhoods	
<p>Summary</p> <p>Budget £ 26,340k Forecast £ 27,739k Variance £ 399k</p>	
<p>Planning and transport</p> <p>Budget £ 3,106k Forecast £ 3,608k Variance £ 502k</p>	<p>The adverse variance is mainly due to lower than planned fee income within Building Control and Development Management units. Although the volume of work in terms of BC applications remains at or above the level of a year ago, the average value of each application has reduced disproportionately. The total income underachievement directly attributable to Development Management and Building Control is £345k and £356k respectively. The total forecast income underachievement is mitigated by favourable variances - largely on staffing costs - in other business units within the division</p>
<p>Property services</p> <p>Budget (£ 930k) Forecast (£ 855k) Variance £ 75k</p>	<p>Main reasons for the adverse variance are property voids including Coburg House, unachievable advertising boards income and a much lower service charge income due to less expenditure on repairs and maintenance etc.</p>
<p>Departmental business support</p> <p>Budget £3,787k Forecast £3,722k Variance (£ 65k)</p>	<p>Favourable variance is mainly due to staff vacancies across the two units in the division that are not expected to be filled. Also contributing are favourable variances on other running costs.</p>

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Regeneration and neighbourhoods	
Housing options service Budget £15,768k Forecast £15,660k Variance (£ 108k)	There is an adverse variance projected within Community Housing Services of £24k due to increased legal and court fees. However, the net favourable variance is mainly due to unbudgeted grant income.
Deputy chief executive	
Summary Budget £ 45,813k Forecast £ 45,813k Variance £ (0k)	There are no major variances in Month 3. An inquest is to be held by the Southwark Coroner's Service into the deaths caused by the fire that occurred in Lakanal House on 3 July 2009. It is not known when the inquest will begin or how long it will last, but it is thought that it may not begin until 2011. The cost of the inquest is likely to be substantial and it is not yet known how it will be funded, and there may be some preliminary costs associated with it in the current financial year. No further significant risks have been reported for the department at this stage of the financial year.
Communities, Law & Governance	
Summary Budget £ 13,025k Forecast £ 13,025k Variance £ (0k)	The department may be expected to find additional in-year savings as a result of reduced ABG and WNF resources, this could affect the provision of ABG and WNF resourced services if the savings requirement is significant and the lead in time is negligible. Also, the move to a 'non-traded' legal services model presents an income risk to the service area.

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Finance and resources	
<p>Summary</p> <p>Budget £ 34,697k Forecast £ 34,607k Variance £ (90k)</p>	<p>Finance & Resources is projected to be on budget for 2010/11.</p> <p>The impending restructure of Information Services Division later this year, will impact on the monitor, but it is too early to quantify at this stage.</p>
<p>Finance Professional Shared Services</p> <p>Budget £ 3,912k Forecast £ 3,628k Variance £ (284k)</p>	<p>There is a projected favourable variance due to vacant posts within this area.</p>
<p>Information Services Division</p> <p>Budget £ 11,078 k Forecast £ 11,282k Variance £ 204k</p>	<p>There is a projected adverse variance resulting from the development and implementation of ICT improvement tools and plan.</p>
<p>Other services</p> <p>Budget £ 19707k Forecast £ 19697k Variance £ (10k)</p>	<p>There are small variances in departmental finance and financial governance that sum to a favourable position of (£10k).</p>

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Housing revenue account	
<p>HRA summary</p> <p>Budget £ 0k Forecast £ 4,215k Variance £ 4,215k</p>	
<p>Regeneration & Neighbourhoods (HRA)</p> <p>Budget £3,495k Forecast £3,565k Variance £ 70k</p>	<p>Housing Strategy & Options comprises the former divisions of Community Housing Services (CHS) and Strategy & Regeneration (S&R). For monitor purposes they are reported separately.</p> <p>The forecast reflects some underlying cost pressure on the S&R side as they lead on a number of council priorities designed to deliver revenue savings and generate additional capital receipts for investment purposes. The level of capitalisation permissible under current regulations is also under review which may compound the position.</p> <p>On the TA side, hostel and estate voids are broadly tracking on budget, but this is an area sensitive to supply/ demand fluctuations and requires close monitoring to minimise potentially adverse budgetary movements.</p>
<p>Strategic Services (HRA)</p> <p>Budget £107,201k Forecast £108,431k Variance £ 1,230k</p>	<p>Debt Charges & Financing +£30k</p> <ul style="list-style-type: none"> This activity comprises all central overheads and non-operational functions within the HRA, specifically housing subsidy, debt financing, CERA and support cost recharges (SCRs) and other shared service functions provided to the HRA. Unavoidable variations from budget during 2009/10, most notably reductions in leaseholder major works billing and cash flow interest receivable have been addressed as part of budget setting for 2010/11 and should not recur.

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Housing revenue account	
	<p>Major Projects +£1,200k</p> <ul style="list-style-type: none"> • Heygate and Aylesbury regeneration projects continue to place a heavy financial burden on the HRA, particularly in relation to re-housing and decommissioning costs, including security and council tax on voids. This is estimated at £4.6m in the current year. • In addition, exceptional costs relating directly to the Lakanal and Sumner fires are not in the base budget. All landlord costs falling to the council after insured losses will continue to be met through a combination of HRA revenue, earmarked reserves and Housing Investment Programme resources; this is estimated at £2.6m in the current year (not including the potential cost of a Public Enquiry). • This gives a total forecast of £7.2m against a budget of £6m, giving rise to a variance of £1.2m at this point. New and emerging commitments arising from the associated programme of safety works will also impact in the current year and require re-distribution or re-profiling of resources within Housing Management to meet them as there is no new money available and carry forward resources are limited.
<p>Environment & Housing (HRA)</p> <p>Budget (£110,696k) Forecast (£107,781k) Variance £ 2,915k</p>	<p>Housing Management +£2,540k</p> <ul style="list-style-type: none"> • This represents the largest controllable area of expenditure within the HRA, but also the area of greatest pressure to spend on the fabric of the stock. At this point, the forecast shows an adverse variance of £2.54m comprising: • R&M contract +£1,900k – volumes and unit costs continue to run at pre 2010/11 rates and not at a run rate commensurate with the level of resources available this year. In order to bring the contract back in line with budget, the following actions are taking place: <ul style="list-style-type: none"> ○ The new in-house quantity surveying (QS) function has now shifted its focus to the repairs and maintenance (R&M) contract. Problems have been identified with the contractors' use of codes under the new contract. Using this information, the QS team have re-profiled the projected expenditure and, if successful in seeking re-imburement from the contractors, expect expenditure to come in on budget by the year-end.

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Housing revenue account	
Environment & Housing (HRA) continued	<ul style="list-style-type: none"> ○ A review of the void specification was undertaken by the QS team and highlighted inconsistencies in the interpretation of the lettable standard and the work being raised by the contractors. New procedures are being developed to ensure there is consistency in the void work specifications. The QS team also expect to be reimbursed by the contractors for over booking on voids. • Other R&M +537k – increased expenditure incurred as a result of the borough-wide roll-out of dry-risers and lightning protection works following the Lakanal and Sumner fires. • Consultant services +£649k –Completion of the stock condition survey and FRA works programme. • Heating contract -£967k – efficiencies and savings continue to accrue on the new heating contract as a result of improved contract management. • Lift contract – neutral forecast at this point until new contract arrangements are in place, but presents a risk moving forward. <p>Rent & Tenant Service Charge Income/ Collection</p> <ul style="list-style-type: none"> • Adjusted collection performance at week 13 is 99.98% (housing management) and 100.97% (all HRA including temporary accommodation). In terms of rent and void debit, the outturn forecast is neutral against budget at this point. • On the non-residential property side, the Executive in January 2010 agreed to defer any decision on increasing garage rents pending review and move towards a differential charging policy. Income assumptions built into the budget at that time will not now be achieved as planned implementation has slipped. The shortfall is currently estimated at £350k (based on an October implementation), but is offset against a retained contingency within the HRA.

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Housing revenue account	
Environment & Housing (HRA) continued	<p>Home Ownership +£385k</p> <ul style="list-style-type: none"> • HOU +£172k – variance is predominantly due to a reduction in the value of capitalisation that can be offset against receipts in response to stricter interpretation of the regulations by the Audit Commission, and reduced interest receivable on the home loans portfolio. • Capital Service Charges – Capital works billing is scheduled for October 2010. The income budget for 2010/11 has been revised downwards to £8m following the shortfall incurred during 2009/10. This represents a more realistic and prudent expectation in budget terms moving forward. Collection performance shows £1.8m (including Major Works loans) has been collected against a full year target of £8.5m. • Revenue Service Charges – £15.1m has been billed as at the end of month 3 against a full year budget of £16.4m. Collection performance shows £4.49m has been collected to date, which would indicate the full year target of £16m is likely to be exceeded. • Commercial Property +£213k – one of the main factors for this adverse variance is a shortfall in the income stream. This activity is subject to review during 2010, with a view to improving VFM. • Tenant Management Organisations – Currently forecast on budget, but need to monitor rent debit and allowances closely to avoid recurrence of budget shortfall last year. <p>Other HRA Services -£10k This activity comprises the full range of services provided to the HRA managed by Environment & Housing (excluding Housing Management), such as grounds maintenance, estate cleaning, pest control, community safety, enforcement and ASB, CCTV, estate parking and energy management. Stated position is to be treated with caution as there are some known pressures emerging in estate parking and community safety which are not reflected in the monitor projection at this point.</p>

Detailed explanation of key forecast outturn variances from budget as at 30 June 2010 (M03)

Housing revenue account	
<p>HRA Reserves</p> <p>Budget N/a Forecast (£4,215k) Variance N/a</p>	<p>The ring-fenced nature of the HRA requires that deficits/ surpluses are carried forward between years, thereby giving rise to fluctuations in the level of reserves. Any deficit will be a first call on reserves, subject to availability. Failing that, the deficit would need to be recouped in the following financial year through the delivery of additional savings.</p> <p>HRA reserves stand at £14.2m at 1.4.10 (subject to audit), down from £18.2m the previous year, of which £12.7m is either committed or held against specific financial risks. Given the size of Southwark's HRA (c. £265m), this is not considered sustainable and represents an increasing risk moving forward, which will be considered as part of the medium term resource strategy.</p>
<p>HRA Carry Forwards</p> <p>Budget £0 Forecast £0 Variance £0</p>	<p>Resources can be specifically earmarked within HRA reserves to fund specific projects and revenue cost pressures of a one-off or time limited nature, outside of the mainstream base budget. Expenditure is recorded in the revenue account and contributes to the overall outturn position. In some cases they are programmed to span more than one financial year or may incur slippage, whilst others such as the Tenant Fund and Leaseholder Fund are deemed to be commitments.</p> <p>For 2010/11, the level of resources available for carry forward has fallen to its lowest point (£1.47m). As it stands, there is little or no prospect of carry forward resources being available in subsequent years. Moreover, if the budget situation is not neutral by year-end, it may warrant the claw back of adverse variances through top slicing 2011/12 departmental budget allocations.</p>

Explanation of budget movements shown in Table 2

Department from	Department to	Amount £'000	Reason
DCE	Strategic Finance	419	Transfer of human resources savings budgets.
F&R	DCE	28	Transfer of health and safety officer post to human resources .
Regeneration and neighbourhoods	Strategic finance	545	Variation of contracts within community housing services.
Appropriations	Major projects	980	Planned release of reserve for Canada Water and Bermondsey Spa.
Appropriations	Major projects	392	Planned release of reserve for Southwark schools for the future.
Finance and resources	Appropriations	2,339	Technical adjustment to smooth the rental cost for the Council's offices at Tooley Street.
All departments	Strategic Finance (contingency)	885	Claw back of inflation provided on employee budgets in anticipation of the proposed pay freeze in 2010/11.

Item No. 11.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Capital Programme 2009/10 Outturn Report	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Finance and Resources	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE AND RESOURCES

1. The report below sets out the outturn for the 2009/10 financial year against the authority's capital programme. Cabinet will note the slippage against the general fund programme of £46.6m and the slight acceleration of spend against the Housing Investment Programme of £2.7m. The report details the reasons for these variances.
2. Appendix d sets out proposed reprofiling of spend and resources to address issues in the general fund capital programme to address recently emerging issues. Cabinet members need to consider whether to agree these recommendations.
3. Cabinet members will be aware that the capital programme will be refreshed to reflect the policies of the new administration. The revised programme will be considered by Cabinet before being submitted to Council Assembly for decision later this year.

RECOMMENDATIONS

That Cabinet:

4. Notes the outturn position for 2009/10 for the capital programme 2009-19 for both the General Fund and Housing Investment Programme including the overall position of the programme (appendices a and b).
5. Notes and approves the addition to the capital programme of the funded schemes identified in appendix c.
6. Notes and approves the reprofiling of spend and resources into the 2010-19 general fund capital programme (appendix d and paragraphs 88 to 90).

BACKGROUND INFORMATION

7. On 29 September 2009 the 2008/09 Capital Outturn report was presented to the then 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 stood at £240m.

8. On 9 February 2010 the refresh of the 10-year capital programme for 2009-19 was approved by the Executive. This included the projection of £103m of new capital resources and approved new capital bids totalling £58.2m for the general fund programme. These new bids were for contractual obligations, health and safety pressures and identified high priorities including invest to save schemes.
9. At a current total budget of some £1,123m (general fund £531m and the housing investment programme £592m), with annual expenditure of over £200m per annum, the capital programme represents a major element of the Council's financial activities. It has a significant and very visible impact on the borough, and hence on the lives of those who live, learn, visit or do business here.
10. This report sets out the outturn position for 2009/10 for both the General Fund programme and the Housing Investment Programme (HIP). It also sets out the impact of the 2009/10 outturn on the programme from 2010/11 onwards.

KEY ISSUES FOR CONSIDERATION

2009/10 Outturn

11. The table below shows the 2009/10 outturn for the General Fund and Housing Investment Programme against the planned expenditure for 2009/10. There was slippage of £46.6m against the General Fund programme, and accelerated spend of £2.7m against the Housing Investment Programme. These variations are explained by the reprofiling of budgets across a range of programme activities, due mainly to the complexities of procuring contractual provisions across a programme of this size and thereafter the practicalities of contractor management and monitoring.
12. Total General Fund departmental expenditure was £98.3m against an original estimate of £144.9m. This is the highest expenditure in a single year for the General Fund programme (some 48% higher than last year), which is a measure of the importance of capital expenditure in the council's financial activities. However the rate of slippage of expenditure has increased from 16.4% in 2008/09 to 32% in 2009/10.
13. Total Housing Investment Programme expenditure for 2009/10 was £96.8m against an original estimate of £94.1m.

DEPARTMENT	2009/10 Forecast £'000	2009/10 Outturn £'000	Outturn/ Forecast Variance £'000
General Fund			
Children Services	33,678	15,391	(18,287)
Finance & resources	2,564	466	(2,098)
Deputy Chief Executives-modernisation	9,150	9,249	99
Environment	33,881	28,293	(5,588)
Health & Social Care	1,447	652	(795)
Housing General Fund	6,312	3,739	(2,573)
Major Projects	6,329	5,751	(578)
Regeneration & Neighbourhood	25,943	11,840	(14,103)
Southwark Schools for the Future	25,596	22,914	(2,682)

Total General Fund	144,900	98,295	(46,605)
Housing Investment Programme	94,147	96,837	2,690

14. The Medium Term Resource Strategy (MTRS) as approved by the Executive in February 2010, includes the aim to maintain a capital contingency of £5m, subject to the availability of resources. At the beginning of 2009/10 there was a balance on the capital contingency reserve of £2.7m. During the year there were no additions to or calls on this resource, and the reserve therefore remains at £2.7m. The capital contingency reserve exists to help meet the cost of urgent and unavoidable capital works. Release of these funds is subject to the approval of the Finance Director in consultation with the Cabinet Member for Finance and Resources. Proposals to increase the capital contingency to the target £5m will be considered within the capital options paper planned for autumn 2010.
15. Paragraphs 17 to 81 below provide commentary on the capital programme for each department.
16. Between the last monitoring report to Executive in February and the end of the financial year, there have been a number of funded or agreed variations to the capital programme budgets. These have been included in the total budgets against which the outturn expenditure is set, so as to provide an up to date position of the budgets available at 1 April 2010. Commentary on these additions is included in the departmental commentaries below.

Comments on Capital Programme Outturn by Service

General Fund

Children's Services

17. The Children's Services capital programme set a 2009/10 forecast budget of £33.7m. The total overall programme is £88.2m for the period 2009-19. However, the final outturn position was £15.4m. The main reasons for this significant variance include slippage on individual projects for a variety of reasons. The key projects and reasons are set out below. All of these projects, the majority funded from specific grants, are committed to be spent over the whole programme period.
18. Overall, it is anticipated that the projects will continue to be managed, across the whole programme, within the original budget allocation. Where project expenditure has been incurred at a greater rate than originally anticipated, these have been low value and therefore were able to be managed within the overall programme for 2009/10.

Primary Capital Programme

19. The Bessemer Grange Primary School project slippage of £0.8m is due to funding confirmation delaying the start on site and a further six weeks delay caused by additional work and delivery delays on major elements of the project. However Bessemer Grange now has a new entrance and reception, refurbished toilets and cloak rooms and improved keystone two planting and play areas opening September 2010.

20. The Dog Kennel Hill Primary School project has been reprogrammed so that work is only carried out in the school holidays. This gives a longer spend profile, and £0.4m of expenditure has slipped into 2010/11.
21. The Rye Oak Primary School budget has slipped by £0.7m due to the process of agreeing the final payment of the retention fees.
22. The project brief for Lyndhurst has been developed in the light of revised funding allocation and it is now proposed that the larger project will proceed in 2010/11 and subsequent financial years, resulting in slippage of £1.2m.

Three Primaries

23. The overall slippage on the three primaries totals £8.4m, being £3.0m on Michael Faraday, £1.1m on Eveline Lowe primary school and £4.3m on Southwark Park school.
24. The Michael Faraday Primary School project was expected to start Easter 2009, but this was delayed until July 2009. In addition, the cold weather in January/February 2010 delayed the completion of the main structure, which in turn, had a knock on effect on the high spend mechanical and electrical installations resulting in the significant slippage in 2009/10 of £3.0m. However, the project is now on track to be completed early in the autumn term. The new school is an important step towards the regeneration of the Aylesbury Estate.
25. The Eveline Lowe primary school £1.1m slippage is mainly due to unexpected ground obstructions and the need to obtain detailed approvals from English Heritage as the school is a listed building. The refurbished and extended buildings will be completed in the autumn term 2010.
26. In 2009/10, phase 1 enabling works were carried out on the Southwark Park site totalling £1.5m, however, progress to the next phase has been delayed whilst options for proceeding within the available resources are being explored, including via the Local Education Partnership (LEP).

Other projects

27. Nine outdoor play areas were built as part of the Playbuilder Scheme in 2009/10, with a further eleven planned to be built in 2010/11. However, two of the 2009/10 projects were delayed due to supplier and manufacturer delays.
28. Slippage in spending Surestart Grant funded projects of £1.8m has been caused by design and legal issues. Following the recent DfE announcement, the whole programme is being reviewed to ensure it is contained within the reduced resources available.
29. Youth Projects totalling eight large schemes have been delayed due to a combination of contract negotiation and planning delays. Four schemes have been transferred to other departments for delivery, approx 60% of programme. The majority of schemes are now expected to complete in 2010/11 and are either under construction or contracts have been signed.

30. Surrey Square Dining Pavilion has been completed and opened, providing new kitchen and dining facilities under a green roofed play area. Dulwich Hamlet Dining block is open and providing popular healthy meals to pupils. Heber School has a new secure and attractive entrance and reception. The Redriff Children's Centre is open and providing services to local families.
31. The capital programme reported to Executive included the 'Local Authority Coordinated Voluntary Aided Programme' (LCVAP) capital budgets; the Authority draws up plans with the schools to spend these funds, however, these are not received by the Local Authority. Although the funds are part of the overall investment in Southwark voluntary-aided schools, these funds are paid directly to the schools. Therefore, this budget has been excluded from this and future monitoring reports.

Southwark Schools for the future - Major Projects/Children's Services

32. May 2009 saw the successful formation of a Local Education Partnership (LEP) company, 4 Futures Ltd, which will deliver the SSF programme. Tuke, a design and build school, and St Michael's, a new PFI school with a 25 year operations period, were commissioned in phase one.
33. Tuke school payments during 2009/10 were £2.7m less than originally budgeted. However, the Tuke construction is on target for completion in 2010/11.
34. St Michael's PFI school bid was within the financial parameters agreed to build and maintain the school. However, the credit market at the time of close meant that the school was only affordable with the addition of £2.25m capital contribution to the scheme. PfS agreed to provide a capital loan for this purpose and £850k was used during 2009/10. Capital contingency has been set aside for the loan repayment and it is hoped that future market conditions will enable refinancing to offset all or some of this cost.
35. Walworth Academy is outside Southwark's Schools for the Future programme but is funded through PfS Academies programme. It opened in January 2010 and £655k was spent in excess of the original anticipated budget but within the programme milestones. The final cost of the academy may include unbudgeted costs for asbestos works and an appropriate amount has been set aside from the programme contingency to cover this.
36. The overall SSF programme is being delivered within the agreed budgets. The contingency is being used to cover council risks and matching the scope of works in the different phases to the available budgets. Of the £1.5m contingency budgeted for in 2009/10 only £0.1m was used. The remaining contingency will cover programme risks for subsequent phases. £6m of the contingency has been transferred to the Primary Capital Programme for the primary school solution at Rotherhithe.

Deputy Chief Executive

37. The major capital project for DCE has been the development of 160 Tooley Street involving the relocation of over 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, for example by bringing the Finance Transactions Shared Services team together, that will result in significant future revenue savings.
38. The programme ran from 2007/08 and completed in 2009/10 at an overall cost (including stamp duty and ICT) of just under £15m. Occupying the building has been done in managed and coordinated phases, with the revenues and benefits team moving in May 2010. This will be followed by a gathering of staff who work with the public into modern hubs in the community. The moves will allow residents to access different services at the same location.
39. This project is self financing and may give rise to additional contributions to corporate resources as the council has sold and will be selling a number of buildings as well as making better use of existing buildings to support improvements to local service delivery. The sales will bring in some capital receipts to support existing and future projects across the borough. The council will also forgo expenditure by not having to spend money to modernise old, not-fit-for-purpose buildings. The capital receipts target for disposals in 2009/10 relating to Phase 1 was £15m. The first phase of the asset disposal process has yielded £7m in 2009/10 and a further £21m under offer. The total receipts from Phase 1 is on target to deliver £39.5m.

Finance and Resources

40. Information Services (IS) projects show a variance of £2.1m in 2009/10 due to slippage on planned capital expenditure. This slippage was due to changes to project requirements to accommodate additional requirements of data security and changing infrastructure regulation. These projects will be completed in 2010/11. 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, and has improved operational governance by introducing a program to look at meeting targets and dependencies.

Health and Community Services

41. The main projects within the Health and Community Services capital programme include the following:
42. Cherry Garden Street: this development is underway to meet the need to relocate day services for people with learning disabilities located at The Grange Project and Evelyn Coyle day centre. The construction phase was delayed and did not start until early April 2010. Despite the delayed start, which created a £300k slippage in the 2009/10 budget, the project is currently on time and to budget.
43. Aylesbury Resource Centre (ARC): capital funding has been allocated for a new purpose-built resource centre and building work is underway. The timescale for completion is November 2010. It replaces the nearby day centre for adults with physical disabilities which is due for demolition within the next year.
44. The development has been subject to delays due to it being dependent on the progress of Phase 1a of the Aylesbury redevelopment and due to the gap between

the handover to H&CS, and the appointment of the new project managers. This has resulted in slippage in 2009/10 of £500k.

Regeneration and Neighbourhoods (Including Major projects)

45. The main focus of Regeneration and Neighbourhood department is to lead the corporate agenda of transforming the borough, making it a better place to live, work and visit.
46. This is achieved through the implementation and delivery of various physical and social regeneration programmes ranging from public realm projects in Bermondsey, Borough and Bankside, Improving Local Retail Environments projects across all Community Council areas, development of parks and youth facilities to various transport projects aimed at improving road safety and encourage sustainable transportation across the borough.
47. The 2009/10 final capital outturn for Regeneration & Neighbourhood and Major Projects together was £17.6m against a budget of £32.3m. The difference of £14.7m is due to reprofiling across the numerous schemes. This includes £4.6m for Improving Local Retail Environment schemes with the programme completion by March 2011, £2.1m for Transport for London allocation where claim for spend is allowed up to August 2010 and £7.1m relates to reprofiling of work on Canada Water Library and other property projects.
48. The Economic Development and Strategic Partnership (ED&SP) variance of £4.6m in 2009/10 (as mentioned above) has now been addressed by the re-profiled programme for Improving Local Retail Environment scheme and public realm projects in Bermondsey and Borough and Bankside. The bulk of programme spend is now anticipated in quarters 2, 3 and 4 of 2010/11, and all sites are due to complete by March 2011 to their original allocated budgets. The remaining ED&SP public realm projects are funded by specific S106 agreements and they are on time and on budget and will be delivered this year.
49. In 2009/10, twelve public realm projects totalling some £1.43m, largely funded through S106 agreements, were delivered by EDSP. These made pedestrian movement easier and safer around Bermondsey and Bankside and included Boundary Row, Union Street and the Improving Local Retail Environments project at Great Suffolk Street. The latter has included works to the junction of Great Suffolk Street and Southwark Bridge Road which links to the Transport for London Cycle Highway scheme. Other projects in the Bankside and Bermondsey Streetscape programmes include Redcross Way phase 1, Barons Place Shared Surface Scheme, and the Dodson & Amigo Estate. The design of Dodson & Amigo Estate improvement work was done in consultation with the residents of the estate with the project due for completion by summer 2010; Rothsay Street Improvements (sketch design completed and currently being consulted upon) and Long Lane/Bermondsey Square works (working with public realm).
50. Seven projects to regenerate open space and youth facilities are under way. These include Tanner St. Park Environmental Improvements where the scheme design and public consultation has been completed. Implementation programmed to start September 2010 and will include enhanced play facilities as part of the Playbuilder programme managed by Environment & Housing department. The second phase of Whites Ground Play space is on site and that includes construction of office and toilets. This is due for completion in summer. Two other parks, Mary Magdalen

Churchyard and St. John's Churchyard are both currently under development with works commencing on site later this year.

51. A number of unappealing tunnels have been refurbished and lit as part of the ongoing Light at the End of the Tunnel programme. The two large rail bridges on Southwark Street have been painted; pigeon proofed and have had art works installed to make them more inviting to pedestrians. Working with the Public Realm Division, Bermondsey Street Tunnel, long seen as a barrier to pedestrian movement, has been cleaned and relit with highway lighting and feature lighting of the metal structure. Preliminary design works and consultation has also been undertaken for Clink Street Tunnel. Again working with the Public Realm Division an innovative computer controlled LED installation will be implemented in summer 2010.
52. The department spent £5.9m, largely funded by Transport for London (TfL), to implement the borough's transport improvement schemes. The funding by TfL reflects the council's key priorities identified in the local implementation plan; the drive to improve road safety, reduce traffic speeds and encourage greener and more sustainable modes of transportation in the borough.
53. For Planning & Transport the slippage of £2.1m, of which £547k was allocated late in the year, represents the remainder of the 2009/10 Transport for London (TfL) allocation which can be claimed until August 2010 in accordance with the funding agreement with TFL.
54. The regeneration of Bermondsey Spa is on going with the completion of the first phase of St James Churchyard refurbishment in June 2009. This phase saw the creation of a new playground, new paths, a re-landscaped burial site, replacement railings and some new planting. The second phase started early in 2010 and due for completion in the summer. This delivers a new ecology garden incorporating a pond, new railings, wild meadow area, new bespoke garden furniture and a new memorial garden. These works complement the new development at Site J of the Bermondsey Spa Masterplan.
55. The Grade 2 listed Spa Road railway arch had a complete refurbishment including cleaning, painting, new lighting, new pavement and new railings. These works were funded by a grant of £138k from the Railway Heritage Fund with the balance funded by a Cleaner Greener Safer grant of £205k. The works are due to complete in 2010.
56. The Aylesbury NDC programme completed its final year (year 10) on 31 March 2010. Some of the achievements in the final year include the demolition of William IV pub on the perimeter of Burgess Park; grant contributions to a number of projects such as the new pavilion at Surrey Square school; refurbishment of Michael Faraday school; the provision of CCTV facilities in Burgess Park and various capital grants to voluntary organisations within NDC defined areas.
57. The increase in budget of £6.3m for Major Projects, shown as a budget variation, is largely due to additional receipt of £6m NDC funds in 2009/10. This resulted in additional expenditure of £5.6m on various NDC funded projects as mentioned above. The balance will fund other NDC projects in 2010/11.
58. On Canada Water Library and other property projects, the difference of £7.1m is due largely to reprogramming of work required. The construction of the Canada Water Library started in June 2009 with Phase 1 (sub structure) completed in February 2010. The overall project is due to be completed within budget by June 2011.

Environment and Housing

59. Environment's agreed capital programme for 2009/10 of £33.1m was increased by £768k for external funding secured for:

CCTV (Transport for London Project)	£124k
Amelia Street (S106 Project)	£636k
Burgess Park - Improvements	£ 8k

60. Against the revised programme of £33.9m, the final outturn position for the year was £28.3m (83%). The main projects within each division, their progress and reasons for slippage or accelerated spend during the year are set out below. Overall, it is anticipated that the estimated total cost of the projects can be contained within the total programme of £115.7m for the period 2009-19.

Sustainable Services

61. 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 complete. At the time of preparing the original spend profile for 2009/10, there were a number of outstanding key milestones e.g. Veolia obtaining planning permission, completion of s106 negotiations, ongoing site investigation works, and negotiations to contract with Fitzpatrick to construct the new access road. It was anticipated that spend on the access road would mainly incur in 2010/11. However, Veolia's planning permission was approved in September 2009 which meant the construction of the new facility road access and associated works scheduled to begin in 2010 was able to commence early in December 2009. This resulted in accelerated spend of £800k in 2009/10 but the overall programme is within the budget.

Public Realm

62. There has also been a step improvement from previous years in the quality, number of projects delivered and time for delivery. Since April 2003 the CGS programme has received capital funding totalling £21.5m, of this £16.9m has been spent or committed by March 2010 and 906 of the approved 1,101 schemes have been completed. 94% of schemes approved before April 2008 have been completed. In 2009/10 287 projects were completed with an average completion time of 40 weeks compared to 220 projects completed in an average 45 weeks in the previous financial year.

63. Both CGS and Projects teams are on track to deliver their programmes within budget. The year end slippage of £2.3m is reduced from previous years and it is projected that this will be further reduced by £1.7m by the end of 2010/11. Other public realm projects are showing a slippage of £1.5m. Many of these are large projects funded by s106 and subject to detailed community consultation in 2009/10. It is anticipated that this backlog will be reduced by £1.0m by the end of 2010/11.

64. Asset Management has overseen an element of devolved capital budgets for Highways and Lighting improvements. Each Community Council received £175k to spend on projects of their choice. In addition to the devolved budget continued capital investment has taken place with improvements to 14km of carriageways and footpaths and over 750 lighting units were replaced. Out of the overall slippage of £3.2m, £2.9m relate to Streetcare section. The delays in the road resurfacing project are a result of not receiving community council selections and design approval from stakeholders for implementation. All schemes now have member and stakeholder approval and are programmed for delivery with orders placed with providers. Similarly lighting projects also slipped due to delays by community councils in selecting projects for implementation. All orders are now placed and EDF main works are now in progress or programmed.
65. The initial phase of Burgess Park refurbishment project commenced, managed by the Environment & Housing Department. We were successful in obtaining £6m towards the redevelopment of Burgess Park. £2m was awarded from the Mayor of London as part of the Premier Parks Scheme, for which Burgess Park came top, and £4m from the Aylesbury NDC. Five organisations were invited to submit their tenders on 7 September 2009. They presented their submissions on 26 September. These tenders were assessed and LDA Design was appointed in November 2009. We are currently going through the procurement process to contract a company to undertake the first phase of works, which is due to begin by February 2011. The work must be completed by March 2012. The variance of £300k for 2009/10 is only a matter of the spend profile. The project is on time and on budget (as of March 2010).

Culture, Libraries, Learning & Leisure

66. The £2.4m project to refurbish Surrey Docks Water Sports Centre was completed early in 2010 and the Centre re-opened on 16 February 2010.
67. The BLF-funded £1.4m refurbishment of the John Harvard Library was completed during 2009/10 and the Library officially re-opened on 16 November 2009.
68. Dulwich Leisure Centre: Full planning approval for the scheme was received in February 2009. Phase 1 works (creation of new entrance building, studio suite, wet side changing areas and pool refurbishment) are due to be completed in September 2010, directly after which Phase 2 works will commence. Phase 2 includes 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 due to be completed in Spring 2011.
69. Camberwell Leisure Centre – work on the refurbishment of the Centre got underway at the start of 2010. Funding of the £4m project consists of £2.5m council funds and £1.5m external funding, and enables the Council to refurbish the gym and gym changing facilities as well as the pool. This will allow the centre to offer a greater service mix to customers and (importantly) increase gym memberships which are the main source of income for leisure centres. Our contract with Fusion means a proportion of increased income returns to the council. The project is due for completion during October 2010. The accelerated spend of £1.4m was achieved by bringing forward some of the programmed works earlier to meet the external grant condition to commit the funds by 31 March 2010.

Housing (including the Housing Investment Programme)

Housing Investment Programme

70. The planned housing investment programme (HIP) as stated in the 2009 Housing Strategy set out to deliver capital investment of £100.3m overall. Of this figure, £91.6m was to be invested in council stock (HRA) and £8.7m in other General Fund (GF) housing provision. When reported as part of the capital monitor to Executive in February 2010 this split had been revised slightly to £94.2m HRA and £6.1m GF. While the overall housing capital outturn came in very close to the planned figure at £100.5m, there was a further shift to HRA from GF, which had outturns of £96.8m and £3.7m respectively.

Housing General Fund programme

71. Following the match funding bid agreed as part of the refresh report to Executive in February, the scheme for improvements to the Springtide travellers' site is being further developed to utilise the balance of the Gypsy and Traveller Sites Grant funding received. However, we have now been advised that the planned bid for an increased level of grant funding will not be possible due to government funding cuts, and the scheme will now need to be contained within the level of resources previously approved, with slippage of £0.6m against the original planned profile. The travellers site scheme at Burnhill Close has been the subject of delays, giving rise to slippage of £0.2m, but is now progressing on site.

72. Following delays in the timescale of the housing association scheme at Ivydale Road, the agreed council contributions from the S106 Affordable Housing Fund will now not be required until 2010 and 2011. This represents slippage of £0.8m against 2009/10 forecast.

73. The Housing Renewal programme has continued in 2009 with the completion of the Asbury & Colls group repair scheme, and the Nunhead lighting improvement scheme. The Low Carbon Zone scheme has now been agreed to progress to tender stage. Demand remains high for Disabled Facilities Grants, with expenditure of over £1.4m including government grant funding of £515k. A review of project priorities within this programme has resulted in some delays, giving rise to slippage of £0.9m.

HRA programme

74. Unplanned costs arising from the two major fires at Lakanal and Sumner Road increased the planned level of HRA expenditure by some £5.0m. Of this, £3.6m was funded from a corporate allocation of £19m over four years for strategic safety works, agreed by the then Executive in February 2010. A programme of fire risk assessments is close to completion, identifying high rise blocks requiring capital investment. Works to three blocks have been completed to date, with a further twenty identified.

75. The HIP includes an annual allocation of £40m for works to make homes decent. The refresh report indicated the intention to increase this allocation for 2009 to accelerate the programme, which resulted in an increase of some £3.5m in decent home expenditure. This gave a total outturn of 1,866 homes made decent. New stock condition data now available will assist in targeting resources to maximise the effectiveness of this allocation.

76. The energy efficiency of council homes is being improved through a borough-wide cavity wall insulation programme which started in February. This project has attracted grant funding in excess of £4.8m and has already spent over £1m in 2009/10. The scheme is aimed particularly at high-rise blocks which are difficult to insulate and will benefit approximately 5,800 properties. Delays in getting this and a second insulation contract on site have resulted in slippage of approximately £1.6m.
77. The Aylesbury acquisitions programme has continued with a further 50 units acquired at a cost of £5.8m, funded by NDC grant. This brings the total number of units acquired since 2007 to 105, leaving a further 391 leasehold properties to be acquired over the lifetime of the regeneration project. The timing of lease acquisitions is by negotiation with leaseholders, and it has been possible to complete a larger number than forecast, bringing forward expenditure of £2.7m. Acquisition of these properties at a low point in the market is giving savings for the longer term programme.
78. Acquisitions have also continued on the Heygate Estate with a further 22 properties acquired at a cost of £3.2m, bringing the total acquired to 87. A further 24 leasehold units remain to be acquired in the coming year.
79. The refurbishment of the East Dulwich Estate continues with a further 205 occupied units and 130 voids completed, bringing the total number of units completed to 575 out of 601 to be refurbished in the scheme. Six of the refurbished voids have now been marketed for sale, with two sold and two under offer. The Albrighton community facility phase of the scheme is also now on site, and both contracts are due to finish in the coming year. Planning submissions are expected in the summer for further conversion and new build phases of the project, which are primarily for generation of receipts as part of the funding arrangements for the scheme.
80. Funding for the HRA programme has been adjusted to allow a specific revenue reserve to roll forward for the Aylesbury project, with a consequent increase in housing capital receipts used to fund the programme outturn. With 2010/11 being the last year for which government supported capital expenditure is confirmed, the continuing HRA programme will be increasingly reliant on the generation of capital receipts from HRA land and property disposals, which are generally agreed specifically to fund linked schemes or improvements to the council's housing stock.
81. The HIP is resource-led, and forecasts therefore reflect the overall level of anticipated resources over time. However, the reduced predictability of future resources, given current uncertainties around government funding, market conditions and the need to obtain planning permissions prior to site disposals, may require adjustments to the planned programme. Variances indicated in the appendices reflect revised resource assumptions rather than any over or underspend in the overall programme, and these will be reviewed in the first quarter of the new programme year.

Resource Implications

82. The council's capital resources are comprised of government supported borrowing and grant, resources from Section 106 agreements, planned capital receipts and revenue contributions.

83. As at 31 March 2010 the Council had accumulated cash balances of £68.6m to help fund the current capital programme, which are reported within the draft statement of accounts and represented as follows:

- Capital Receipts Reserve balance £ 3.3m
- Capital Grants Unapplied balance £65.3m
(of which £22.4m relates to S.106)

84. These balances are committed against existing capital projects but were unapplied as at 31 March 2010.

85. Significant cuts were imposed by the new government through its emergency budget on 22 June 2010 to reduce the overall government deficit. The savings across the public sector amount to a real terms reduction of around 25% on average over the next four financial years in government spending. These likely reductions, and the continued impact of the recession on land and property values, present a key financial risk to the resources available to meet the requirements of the council's ambitious 10 year capital programme.

86. An assessment on the impact on future capital resources will be considered in the capital options paper due to cabinet this autumn. This will also allow the cabinet to map the direction of travel with regards to capital spending, assessment of the new pressures and hence take informed decisions around priorities.

87. This capital options paper will also produce proposals for resolving any cash flow issues arising in 2010/11 where currently expenditure exceeds expected income in the year.

Capital Programme 2010-19

88. The current budgetary position for the capital programme 2010-19, including the effect of slippage, programme variations and reprofiling arising from the outturn position at the end of 2009/10, shows a total General Fund programme for 2010-19 of £428.9m. The total forecast available resources over this period are £463.5m (appendix d).

89. The current forecast position for the Housing Investment Programme for 2010-19, including the effect of slippage, is a total programme of expenditure and funding of £494m.

90. Between the last monitoring report to the then Executive in February 2010, and the outturn position, there have been a number of funded or agreed variations to the capital programme budgets, not least the addition of some £6m budget from new deals for communities. These have been included in the total budgets against which the outturn expenditure is set, so as to provide an up to date position of the budgets available at 1 April 2010. Commentary on these additions is included in the departmental commentaries above.

Community impact statement

91. 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.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Capital monitoring working papers	160 Tooley Street	Le Cheung Extension 54300

APPENDICES

No.	Title
Appendix A	General Fund summary
Appendix B	Housing Investment Programme summary
Appendix C	Funded variations
Appendix D	General fund reprofiled 2010-19 programme

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Cabinet Member for Finance and Resources	
Lead Officer	Duncan Whitfield, Finance Director	
Report Authors	Cathy Doran, Finance and Resources	
Version	Final	
Dated	9 September 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	9 September 2010	

GENERAL FUND SUMMARY MONITORING POSITION																									APPENDIX A
DEPARTMENT	2009/10					2010/11					2011/12					2012/13+					Total Programme 2009/10 - 18/19				
	Agreed Budget	Budget Variations	Revised Budget	Outturn	Variance	Agreed Budget	Budget Variations	Revised Budget	Forecast	Variance	Agreed Budget	Budget Variations	Revised Budget	Forecast	Variance	Agreed Budget	Budget Variations	Revised Budget	Forecast	Variance	Total Agreed Budget @ 01/04/2009	Budget Variations	Revised Budget	Total Forecast	Total Variance
	2009/10		2009/10	2009/10		2010/11		2010/11	2010/11		2011/12		2011/12	2011/12+	2011/12+	2012/13+		2012/13+	2012/13+		£000s	£000s	£000s	£000s	£000s
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Children Services	33,678		33,678	15,391	(18,287)	29,319		29,319	35,076	5,757	22,225		22,225	13,195	(9,030)	3,000		3,000	24,560	21,560	88,222	0	88,222	88,222	(0)
Deputy Chief Executives	9,150		9,150	9,249	99	0		0	264	264	0		0	0	0	0		0	0	0	9,150	0	9,150	9,513	363
Environment & Housing	33,113	768	33,881	28,293	(5,588)	32,515		32,515	38,718	6,203	14,752		14,752	15,343	591	34,554		34,554	33,348	(1,206)	114,934	768	115,702	115,702	0
Finance & Resources	2,564		2,564	466	(2,098)	1,900		1,900	2,098	198	0		0	1,900	1,900	0		0	0	0	4,464	0	4,464	4,464	0
Health & Community Services	1,447		1,447	652	(795)	5,189	187	5,376	6,237	861	434		434	0	(434)	3,003		3,003	0	(3,003)	10,073	187	10,260	6,889	(3,371)
Housing General Fund	6,312		6,312	3,739	(2,573)	9,925		9,925	10,475	550	5,139		5,139	6,972	1,833	0		0	190	190	21,376	0	21,376	21,376	0
Major Projects	0	6,329	6,329	5,751	(578)	0		0	578	578	0		0	0	0	0		0	0	0	0	6,329	6,329	6,329	0
Regeneration & Neighbourhood	25,541	402	25,943	11,840	(14,103)	11,715	4,892	16,607	30,987	14,380	350		350	6,958	6,608	7,000		7,000	112	(6,888)	44,606	5,294	49,900	49,897	(3)
Southwark Schools for the Future	25,596		25,596	22,914	(2,682)	57,108		57,108	59,789	2,681	131,261		131,261	135,810	4,549	11,181		11,181	6,633	(4,548)	225,146	0	225,146	225,146	0
TOTAL	137,401	7,499	144,900	98,295	(46,605)	147,671	5,079	152,750	184,222	31,472	174,161	0	174,161	180,178	6,017	58,738	0	58,738	64,843	6,105	517,971	12,578	530,549	527,538	(3,011)
FINANCED BY:																									
Capital receipts b/f	20,473		20,473	20,473	0	0		0	0	0	0		0	0	0	0		0	0	0	20,473	0	20,473	20,473	0
Capital grants unapplied b/f	15,371		15,371		(15,371)	0		0	15,371	15,371	0		0	0	0	0		0	0	0	15,371	0	15,371	15,371	0
Capital grants unapplied -S106 @ b/f	7,889		7,889		(7,889)	0		0	7,889	7,889	0		0	0	0	0		0	0	0	7,889	0	7,889	7,889	0
Capital receipts	21,415		21,415	30,220	8,805	37,153		37,153	37,153	0	28,575		28,575	28,575	0	133,000		133,000	133,000	0	220,143	0	220,143	228,948	8,805
Use @ payback of Housing receipts			0	9,178	9,178	0		0	(9,178)	(9,178)	0		0	0	0	0		0	0	0	0	0	0	0	0
General Fund contribution to HIP	(4,000)		(4,000)	(13,723)	(9,723)	(5,000)		(5,000)	(5,277)	(277)	(5,000)		(5,000)	(5,000)	0	(5,000)		(5,000)	(5,000)	0	(19,000)	0	(19,000)	(29,000)	(10,000)
Supported Borrowing			0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0	0	0	0	0
Reserves & Revenue	2,221		2,221	71	(2,150)	391		391	1,487	1,096	0		923	923	0	0		0	571	571	2,612	0	2,612	3,052	440
Capital Grants Committed	72,636	6,691	79,327	50,191	(29,136)	78,843	4,030	82,873	86,820	3,947	144,795		144,795	139,608	(5,187)	4,290		4,290	15,836	11,546	300,564	10,721	311,285	292,455	(18,830)
Section 106 Funds Committed	4,940	740	5,680	1,365	(4,315)	1,905	1,049	2,954	6,822	3,868	650		650	1,400	750	0		0	0	0	7,495	1,789	9,284	9,587	303
Section 106 Funds 09-10 onwards	1,210		1,210	0	(1,210)	850		850	2,060	1,210	788		788	788	0	6,162		6,162	6,162	0	9,010	0	9,010	9,010	0
External Contributions	3,191	68	3,259	521	(2,738)	400		400	355	(45)	1,298		1,298	10	(1,288)	0		0	3,111	3,111	4,889	68	4,957	3,997	(960)
TOTAL RESOURCES	145,346	7,499	152,845	98,296	(54,549)	114,542	5,079	119,621	143,502	23,881	171,106	0	171,106	166,304	(4,802)	138,452	0	138,452	153,680	15,228	569,446	12,578	582,024	561,782	(20,242)
Forecast variation (under)/over	(7,945)	0	(7,945)	(1)					40,720	7,591				13,874						(88,837)	(9,123)				(34,244)
Cumulative position									40,721					54,594						(34,243)					

HOUSING INVESTMENT PROGRAMME SUMMARY MONITORING POSITION																									APPENDIX B	
DEPARTMENT	2009/10					2010/11					2011/12					2012/13+					Total Programme 2009/10 - 18/19					
	Agreed Budget	Budget Variations	Revised Budget	Outturn	Variance	Agreed Budget	Budget Variations	Revised Budget	Forecast	Variance	Agreed Budget	Budget Variations	Revised Budget	Forecast	Variance	Agreed Budget	Budget Variations	Revised Budget	Forecast	Variance	Total Agreed Budget @ 01/04/2009	Budget Variations	Revised Budget	Total Forecast	Total Variance	
	2009/10	2009/10	2009/10	2009/10	2009/10	2010/11	2010/11	2010/11	2010/11	2010/11	2011/12	2011/12	2011/12	2011/12+	2011/12+	2012/13+	2012/13+	2012/13+	2012/13+	2012/13+	2012/13+	2012/13+	2012/13+	2012/13+	2012/13+	2012/13+
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Decent homes and associated works	41,004		41,004	44,475	3,471	52,621	(2,621)	50,000	49,987	(13)	79,064	(19,540)	59,524	54,727	(4,797)	245,017	2,047	247,064	247,467	403	417,706	(20,114)	397,592	396,656	936	
Landlord obligations	17,781		17,781	16,351	(1,430)	24,718	0	24,718	21,397	(3,321)	6,138	0	6,138	11,517	5,379	28,800	0	28,800	28,795	(5)	77,437	0	77,437	78,060	(623)	
Regeneration schemes	18,988		18,988	18,859	(129)	12,251	0	12,251	14,527	2,276	15,832	0	15,832	14,957	(875)	0	0	0	0	0	47,071	0	47,071	48,343	(1,272)	
Other	5,251		5,251	4,521	(730)	4,575	0	4,575	7,388	2,823	4,037	0	4,037	4,067	30	7,988	0	7,988	7,988	0	21,851	0	21,851	23,974	(2,123)	
Strategic fire safety	4,000		4,000	3,634	(366)	5,000	0	5,000	5,103	103	5,000	0	5,000	5,258	258	5,000	0	5,000	5,005	5	19,000	0	19,000	19,000	0	
Heygate lease acq (housing)	11		11	1	(10)	0	0	0	0	0	0	0	0	10	10	0	0	0	0	0	11	0	11	11	0	
Heygate lease acq (executive)	0		0	6	6	0	0	0	0	0	309	0	309	303	(6)	0	0	0	0	0	309	0	309	309	0	
Heygate lease acq (additional)	4,000		4,000	3,223	(777)	4,600	0	4,600	5,387	787	2,277	0	2,277	2,277	0	0	0	0	0	0	10,877	0	10,877	10,887	(10)	
Aylesbury lease acq (NDC)	3,112		3,112	5,767	2,655	5,040	1,155	6,195	3,540	(2,655)	4,638	0	4,638	4,638	0	0	0	0	0	0	12,790	1,155	13,945	13,945	0	
TOTAL	94,147	0	94,147	96,837	2,690	108,805	(1,466)	107,339	107,339	0	117,295	(19,540)	97,755	97,754	(1)	286,805	2,047	288,852	289,255	403	607,052	(18,959)	588,093	591,185	(3,092)	
check	94,146					108,805					117,295					272,227										
	1					(0)					(0)					14,578										
Per Dept Returns																										
FINANCED BY:																										
Corporate Resource Pool	14,082		14,082	13,724	(358)	5,008	0	5,008	5,110	102	5,331	0	5,331	5,583	252	5,000	0	5,000	5,005	5	29,421	0	29,421	29,422	(1)	
Housing Receipts	21,442		21,442	22,515	1,073	20,280	7,510	27,790	26,716	(1,074)	29,193	7,224	36,417	36,417	0	111,745	(7,604)	104,141	104,141	0	182,660	7,130	189,790	189,789	1	
Supported Borrowing	12,526		12,526	12,526	0	12,526	0	12,526	12,526	0	0	0	0	0	0	0	0	0	0	0	25,052	0	25,052	25,052	0	
Reserves & Revenue	2,427		2,427	13,741	11,314	24,581	(11,535)	13,046	15,883	2,837	40,350	(27,161)	13,189	13,139	(50)	17,771	9,101	26,872	27,270	398	85,129	(29,595)	55,534	70,033	(14,499)	
Capital Grants	4,176		4,176	6,657	2,481	6,127	1,285	7,412	5,187	(2,225)	5,333	0	5,333	4,967	(366)	0	0	0	0	0	15,636	1,285	16,921	16,811	110	
Section 106 Funds	126		126	123	(3)	0	0	0	85	85	0	0	0	15	15	0	0	0	0	0	126	0	126	223	(97)	
Major repairs allowance	37,106		37,106	25,713	(11,393)	37,040	533	37,573	37,573	0	37,088	397	37,485	37,485	0	152,289	550	152,839	152,839	0	263,523	1,480	265,003	253,610	11,393	
External Contributions	2,262		2,262	1,838	(424)	3,244	740	3,984	4,259	275	0	0	0	148	148	0	0	0	0	0	5,506	740	6,246	6,245	1	
TOTAL RESOURCES	94,147	0	94,147	96,837	2,690	108,806	(1,467)	107,339	107,339	0	117,295	(19,540)	97,755	97,754	(1)	286,805	2,047	288,852	289,255	403	607,053	(18,960)	588,093	591,185	(3,092)	
Forecast variation (under)/over	0	0	0	0	0	(1)	1	0	0	0	0	0	0	0	0	0	0	0	0	0	(1)	1	0	0	0	
Cumulative position						(1)			0	0	(1)			0	0	(1)			0	0						

2009/10 - 2018/19 - Programme variations since Refresh report								APPENDIX C
TOTAL PROGRAMME EXPENDITURE BUDGETS								
	Children's Services	DCE/F&R	Environment & Housing	Health & Community Services	Housing General Fund	Southwark Schools for the Future	Regeneration & Neighbourhoods	General Fund Programme Total
Variation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
BUDGET AS AT REFRESH REPORT	88,222	13,614	114,933	10,073	21,376	225,146	44,606	517,970
								0
RESTRUCTURED REFRESH BUDGETS	88,222	13,614	114,933	10,073	21,376	225,146	44,606	517,970
PROGRAMME FUNDED VARIATIONS								
ADDITIONS TO PROGRAMME ALREADY APPROVED								0
								0
								0
								0
PROGRAMME BUDGETS	88,222	13,614	114,933	10,073	21,376	225,146	44,606	517,970
VARIATIONS REQUESTED TO BE APPROVED								
CCTV (Transport for London Project)			124					124
S106 PROJECT - Amelia Street			636					636
Burgess Park - Improvements			8					8
Bermondsey Spa EIP - Regen.							144	144
Southampton Way							97	97
Economic & Development & Strategic Projects							951	951
Transport for London - 2010 allocation							4,101	4,101
Spa Road Railway Arch Improvements							375	375
New Deal for Communities							5,954	5,954
Transforming Adult Social Care Capital grant				187				187
Total Requested to be Approved	0	0	768	187	0	0	11,622	12,577
REVISED BUDGETS	88,222	13,614	115,701	10,260	21,376	225,146	56,228	530,547
VARIATIONS REQUESTED TO BE APPROVED								
FINANCED BY:								
Corporate Resource Pool								0
Housing Receipts								0
Supported Borrowing								0
Reserves & Revenue								0
Capital Grants			124	187			10,410	10,721
Section 106 Funds			636				1,152	1,788
Major Repairs Allowance								0
External Contributions			8				60	68
TOTAL RESOURCES	0	0	768	187	0	0	11,622	12,577

Capital Programme - 2010/11-18/19	GENERAL FUND			Appendix D	
		1	2	3	
DEPARTMENT	Total Budget Available as at 01/04/10 £'000	2010/11 Forecast £'000	Forecast 2011/12 £'000	Forecast 2012/13 £'000	Total Forecast Spend £'000
Children Services	72,831	35,076	13,195	24,560	72,831
Deputy Chief executives & Finance & Resources	3,998	2,098	1,901		3,999
Environment	87,409	38,718	15,343	33,348	87,409
Health & Community Services	6,237	6,237			6,237
Housing General Fund	17,637	10,475	6,972	189	17,636
Regen & Neighbourhoods/Major Projects	38,539	31,466	6,958	115	38,539
Southwark Schools for the Future	202,232	59,789	135,810	6,633	202,232
TOTAL SPEND	428,883	183,859	180,179	64,845	428,883
FINANCED BY:					
Capital Receipts Reserve balance as at 31.3.10					
Capital Grants Unapplied balance as at 31.3.10	15,371	15,371			15,371
Capital Grants Unapplied balance as at 31.3.10 - S106	7,889	7,889			7,889
Corporate Resource Pool	198,728	37,153	28,575	133,000	198,728
Use of Housing receipts	(9,178)	(9,178)			(9,178)
General Fund contribution to HIP	(15,277)	(5,277)	(5,000)	(5,000)	(15,277)
Supported Borrowing					
Reserves & Revenue	2,981	1,487	923	571	2,981
Capital Grants	242,264	86,820	139,608	15,836	242,264
Section 106 Funds b/f (per years to be applied)	8,222	6,822	1,400		8,222
Section 106 Funds 09-10 onwards	9,010	2,060	788	6,163	9,011
External Contributions	3,476	355	10	3,110	3,475
TOTAL RESOURCES	463,486	143,502	166,304	153,680	463,486
Forecast Variation (Under)/Over	(34,603)	40,357	13,875	(88,835)	(34,603)
Cumulative Position		40,357	54,232	(34,603)	

Item No. 12.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Capital Programme 2010-19 Quarter 1 Monitoring Report	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Finance and Resources	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE AND RESOURCES

1. The report below sets out the quarter one position on the capital programme 2010-19.
2. Overall, the general fund programme is on track to spend within the approved budget, however the profiled expenditure for 2010/11 considerably exceeds resources and this will need to be reviewed through the revised capital programme that will come to Cabinet and Council Assembly later this year.
3. Appendix C sets out recommendations for additions to the programme, together with the sources for funding these additions. Cabinet will need to consider whether to agree these recommendations.

RECOMMENDATIONS

That Cabinet:

4. Note the current monitoring position for the capital programme 2010/11 – 2018/19 for both the General Fund and Housing Investment Programme as at 30 June 2010 (appendices A and B).
5. Note the additions into the programme of budgets relating to prior decisions and the movement of existing schemes between departments. (appendix C).
6. Approve the addition of budgets into the programme, matched by additional funding secured (appendix C).
7. Note that the overall resourcing of the capital programme is being reviewed, and will be reported to cabinet in the autumn.

BACKGROUND INFORMATION

8. On 9 February 2010 the refresh of the 10 year capital programme for 2009-19 was approved by the then Executive. This approved new capital bids totalling £58.2m for the general fund programme. These new bids were for contractual obligations, health and safety pressures and identified high priorities including invest to save schemes.
9. On the same agenda as this report is the Capital Programme 2009/10 Outturn report which sets out the outturn position for 2009/10 for both the General Fund programme and the Housing Investment Programme (HIP). It also sets out the impact of the 2009/10 outturn on the budgets from 2010/11 onwards. This creates the starting position for this quarter 1 report.

KEY ISSUES FOR CONSIDERATION

Summary of spend and resources

10. The total General Fund programme for 2010-2019 totals £430.1m (appendix A). The total forecast available resources over this period are estimated to be £439.0m, an overall surplus of £9m.
11. The overall general fund programme for 2010-19 has increased by £1.2m from £428.9m to £430.1m since the outturn report for 2009/10. This is as a result of receiving confirmation of £900k of new capital grants and £300k additional application of s106 funding.
12. Overall the general fund programme for 2010-19 is on track to spend within the approved budget. However there are concerns over the profiling of spend and resources, particularly in 2010/11. A review of the existing capital programme is currently underway to identify the levels of slippage, and, if required, to ascertain which schemes are not yet contractually committed that could be reprofiled or deferred. Only if absolutely necessary will agreed projects be considered for deferral. In parallel a full appraisal of the resources will be carried out to accelerate where possible and to ensure maximisation in totality. A full report detailing the results and proposals will be made to cabinet in the autumn.
13. In February 2010, for the first time, the Head of Property developed a programme of disposals spanning ten years in line with the refreshed capital investment programme. The long term disposals programme provides a good deal of strategic planning for capital resources moving forward. However due to the volatility in market conditions both in demand and price this needs to be closely monitored and reviewed regularly in order to reflect the best estimates available at the time. This monitor has been updated to reflect the latest position and though there is an overall reduction on that last reported this will continue to be monitored closely by officers and the position updated accordingly. The overall programme remains funded.
14. The total Housing Investment Programme (HIP) for 2010-2016 totals £450.6m and is fully funded.
15. The commentary below on the latest monitoring position sets out the main achievements and potential issues arising by service department.

Comments on Capital Programme by Service

General Fund (Appendix A)

Children's Services

16. The Children Service's capital programme totals £73m and is funded from capital receipts, DfE grants, Sure Start capital, DSG reserves as well as insurance claims and other resources.
17. This is a significant Council programme consisting of major rebuilding works for a number of schools as well as a range of minor remodelling and improvement projects, such as classrooms to reflect growing pupil numbers, youth clubs, children's centres and play projects.
18. In 2010/11 £35.4m is forecast to be spent compared against a budget of £35.1m. The most significant projects due for completion later this year being the new school for Michael Faraday, the refurbished and extended Eveline Lowe and the Children's Centre at Bessemer Grange.
19. Over the school summer holidays several schemes are going ahead such as Heber school where new primary places are being added in time for the new next academic year in September.
20. As at quarter one, there is no slippage anticipated in the current year's programme, although it may be subject to change in the light of government review of capital schemes. For instance, the DfE have recently reviewed this year's Surestart capital programme and grants, the impact of this will be reported at quarter two.

Health and Community Services

21. The day service at Cherry Garden Street will open in August 2010 while the Aylesbury Resource Centre is expected to complete and open in November 2010. Both projects are forecast to be delivered on budget. Health & Community Services also receives four capital grants from the Department of Health which are forecast to be fully spent this year. In the current financial climate, and having received no notification of future year allocations, it is prudently assumed that these grants will not continue beyond 2010/11.

Regeneration and Neighbourhoods

22. The main focus of Regeneration and Neighbourhood department is to lead the corporate agenda of transforming the borough, making it a better place to live, work and visit. This is achieved through the implementation and delivery of various physical and social regeneration programmes.
23. 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.

24. The current total value of capital programme for the department over 2010/11-2018/19 is £35.8m. This includes a budget reduction of £3m for the transfer of the property works programme and work to council buildings to Finance & Resources department following the transfer of corporate facilities management from Regeneration & Neighbourhoods' department. The current total forecast of £35.8m is within the overall budget

Environment and Housing

25. Following the 2009/10 capital outturn report, the departmental capital budget for 2010/11 has increased by £122k. The following table analyses the increase and provide a breakdown of the additional funding secured:

	£000	
New funding identified:		
Camberwell Leisure Centre	198	Section 106 £98k and London Marathon £100k
Amelia Street	29	External funding from First Base Ltd already received
Bermondsey Spa Gardens	43	Section 106
Rye Lane	232	TfL funding
Sub total	502	
Reductions:		
Denmark Hill/Champion Hill	(380)	External funding not yet secured – originally phased over two years
Net Increase	122	

26. Against the revised capital budget of £39.2m for 2010/11, the latest forecast spend for the year is expected to be around £39.0m (99%). The main projects within each division, their progress and reasons for slippages or accelerated spend during the year are set out below. Overall, it is anticipated that the estimated total cost of the projects can be contained within the total programme of £87.5m for the period 2010-19.

Sustainable Services

27. 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.. Site preparation works are now complete. The construction of the new facility road access and associated works are currently in progress. The project is currently projected to be within budget. Work on the main facility commenced in June 2010 and is expected to complete by December 2011 to be fully operational during January 2012.

28. SELCHP & MUSCO Decentralised Energy Initiatives: £1m capital fund was allocated for professional services required to undertake two large scale Decentralised Energy initiatives in Southwark, (technical, legal, financial & commercial negotiation services). These initiatives will deliver large scale, long term, low or zero carbon energy provision, with secure supply and stabilised energy prices for the future for a significant number of our council tenants and leaseholders. All with no capital infrastructure cost to the council. The MUSCO initiative is nearing the end of its feasibility stage, and the SELCHP initiative is about to enter its commercial negotiation stage.

Public Realm

29. CGS programme – The programme budget for 2010/11 of £6.2m includes the annual allocation of £3.25m along with £3m from previous years and is projected on target.
30. Asset Management and Projects are projected to deliver their programmes within budget and time. All schemes now have member and stake holder approval and are programmed for delivery. Quarterly updates on all capital schemes are now provided to all ward councillors.
31. Burgess Park Revitalisation Project - We are currently going through the procurement process to contract a company to undertake the first phase of works, which is due to begin by February 2011. The work must be completed by March 2012.

Culture, Libraries, Learning & Leisure

32. Dulwich Leisure Centre: Phase 1 works are due to be completed in September 2010, directly after which Phase 2 works will commence. Phase 2 includes 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 due to be completed in Spring 2011.
33. Camberwell Leisure Centre – work on the refurbishment of the Centre got underway in 2009. Funding of the £4m project consists of £2.5m Council funds and £1.5m external funding, and enables the Council to refurbish the gym and gym changing facilities as well as the pool. This will allow the centre to offer a greater service mix to customers and (importantly) increase gym memberships which are the main source of income for leisure centres. Our contract with Fusion means a proportion of increased income returns to the Council. The project is due for completion during February 2011.
34. Southwark Park Athletics Stadium. The planning permission requested for refurbishment of the facility was rejected. Options for the future of this project are now being reviewed.

Southwark Schools for the Future

35. The overall SSF programme continues to be managed within the available budgets. Further milestone payments of £0.4m have been made for Walworth Academy as snagging items have been completed. The final cost of the academy may include unbudgeted costs for asbestos works and an appropriate amount has been set aside from the programme contingency to cover this eventuality.
36. St Michael's PFI school is on target for opening in January 2011. Staged capital contributions of £0.4m have been made and a further £1m will be made in 2010/11.
37. Tuke school is progressing ahead of the original programmed completion date of December 2010 and it is hoped that it will be ready to open in September 2010. Further milestone payments of £3m have been made.

Deputy Chief Executive Services (DCE) and Finance & Resources

38. Under facilities management (FM), there is a forecast of £3m for the property works programme and works to council buildings (DDA) Programme. All of this expenditure is committed. The FM programme transferred from Regeneration to Finance & Resources in January 2010. Based on past experience with the property works programme, there is a risk that the £3m budget may not be sufficient dependent on emerging issues over this financial year. Risks include building closure, loss of service delivery and serious H&S/compliance ramifications.
39. On an ongoing basis there are calls for DDA works, generally as part of funded new build or refurbishment programmes, which are met through a contribution for specific DDA related works from the DDA capital budget. There is a draft programme of DDA works that are required for full compliance. To implement all of these would require additional funding. However in the current financial climate with the continuing uncertainty on building retention, the risk will be managed and DDA issues will be dealt with on an individual building basis. This will require utilisation of this budget as and when required.
40. Information Services (IS) projects have now moved to Finance & Resources. The current profile shows that the IS projects will complete in 2011/12. 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 and has improved operational governance by introducing a program to look at meeting targets and dependencies.

Housing Investment Programme

41. The 2010 housing investment programme (HIP) aims to deliver capital investment of £109m to improve housing in Southwark. This includes planned expenditure of £11m within the General Fund and £98m on the council's own stock within the HRA. Actual capital expenditure as at quarter 1 was £0.5m and £9.26m respectively.

Housing General Fund

42. The travellers' site scheme at Burnhill Close is progressing on site, using government gypsy and travellers' sites grant funding already received. Further consultation will take place soon with residents of the Springtide travellers' site. This is to develop scaled-back plans for the scheme following advice that additional grant funding will not be available for the project.
43. First stage Affordable Housing Fund payments on the two Housing Association schemes at Ivydale Road and Canada Water are expected this year, with the balance due in 2011.
44. Demand remains high for Disabled Facilities Grants within the Housing Renewal programme, with expenditure of £340k funded by government grant. Further sub-regional targeted funding has been awarded for the continuing private sector repair loans and empty homes grants, to cover anticipated expenditure of £500k. This is in addition to the £420k targeted funding received for solar heating to 60 properties in Peckham, which project will start in December following pilot schemes in October. The Low Carbon Zone group repair scheme is due to start on site in January.

HRA programme (Appendix B)

45. The HIP is resource-led, and forecasts reflect the anticipated level of available resources. With no government borrowing approval beyond the current year, there is increased reliance on other resources including capital receipts to fund the programme, and the current disposals policy is being reviewed in this light. Meanwhile, current market conditions have led to a more cautious approach to the profiling of receipts, and resource assumptions have been revised. This has resulted in a reduced resources showing in the programme for the current reporting period, although this should be redressed in the longer term.
46. The programme of strategic safety works continues, funded from the allocation approved by Executive in February 2010 following the two major fires at Lakanal and Sumner Road last year. This is reported in more detail in the 2009/10 outturn report.
47. Leasehold acquisitions continue on Aylesbury and Heygate with expenditure of £640k this year to date. Additional provision has been identified within the programme for the future continuation of the Aylesbury project to cover demolition and PFI procurement stages.
48. The HRA programme includes an allocation of £40m for Decent Homes, and it is anticipated that 1,700 dwellings will be made decent in 2010/11. The new stock condition data is now in use to maximise the effectiveness of this allocation.
49. Additional sub-regional targeted funding of £800k has been secured for 2010/11 through the South East London Housing Partnership extensions and deconversions programme. Nine properties will be enlarged through the major voids contract, while a further four will be extended through separate contracts.

50. Two new build schemes under the HCA Challenge Fund programme to deliver 19 new council homes at Brayards Road and Lindley Estate are being worked up. Planning applications are being considered, and a start on site is anticipated in Q3. The HCA bidding requirement that the council's expenditure on these schemes should be met from prudential borrowing is currently being revisited, and further consideration will be given to the balance of borrowing and other resources. The position will be updated for inclusion in the next monitor.

Community impact statement

51. 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.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Capital monitoring working papers	160 Tooley Street	Funmi Kosoko 020 7525 0642

APPENDICES

No.	Title
Appendix A	General Fund summary
Appendix B	Housing Investment Programme summary
Appendix C	Funded variations

AUDIT TRAIL

Cabinet member	Councillor Richard Livingstone - Finance and Resources	
Lead officer	Duncan Whitfield - Finance director	
Report author	Cathy Doran – Finance & resources	
Version	Final	
Dated	9september 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	Yes	Yes
Date final report sent to constitutional team		9 September 2010

GENERAL FUND SUMMARY MONITORING POSITION																				APPENDIX A	
DEPARTMENT	2010/11						2011/12						2012/13+			Total Programme 2010/11 - 2018/19					
	Agreed Budget 2010/11	Budget Virement 2010/11	Funded Variation 2010/11	Revised Budget 2010/11	Forecast 2010/11	Variance 2010/11	Agreed Budget 2011/12	Budget Virement 2011/12	Funded Variation 2011/12	Revised Budget 2011/12	Forecast 2011/12	Variance 2011/12	Agreed Budget 2012/13+	Forecast 2012/13+	Variance 2012/13+	Total Agreed Budget to 2018/19	Total Budget Virement	Total Funded Variation	Total Revised budget 2010/11 to 2018/19	Total Forecast	Total Variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Children's Services	35,076		0	35,076	35,370	294	13,195			13,195	19,045	5,850	24,559	18,415	(6,144)	72,830	0	0	72,830	72,830	0
Southwark Schools for the Future	59,789		0	59,789	59,789	0	136,810			136,810	136,810	0	6,633	6,633	0	202,232	0	0	202,232	202,232	0
Deputy Chief Executives & Finance & Resources	1,999	1,059	0	3,058	3,157	99	1,900	1,945		3,845	3,845	0	0	0	0	3,899	3,004	0	6,903	7,002	99
Environment and Housing	38,718		502	39,220	39,020	(200)	15,343	0		15,343	15,163	(180)	33,348	33,348	0	87,409	0	502	87,911	87,531	(380)
Health & Community Services	6,237	0	0	6,237	6,237	0	0	0		0	0	0	0	0	0	6,237	0	0	6,237	6,237	0
Housing General Fund	10,475	0	500	10,975	11,105	130	6,972	0		6,972	6,842	(130)	191	191	0	17,638	0	500	18,138	18,137	(1)
Regeneration & Neighbourhoods	31,565	(2,519)	194	29,240	29,227	(13)	6,968	(485)		6,473	6,474	1	115	112	(3)	38,638	(3,004)	194	35,828	35,812	(16)
TOTAL	183,859	(1,460)	1,196	183,595	183,905	310	180,178	1,460	0	181,638	187,179	5,541	64,846	58,699	(6,147)	428,883	0	1,196	430,079	429,781	(298)
FINANCED BY:																					
Capital Grants unapplied balance as at 31.03.10	15,371			15,371	15,371	0	0			0						15,371			15,371	15,371	0
Capital Grants unapplied balance as at 31.03.10 - S106	7,889			7,889	7,889	0	0			0						7,889	0	0	7,889	7,889	0
Corporate Resource Pool	37,153			37,153	27,550	(9,603)	28,575			28,575	24,150	(4,425)	133,000	122,650	(10,350)	198,728	0	0	198,728	174,350	(24,378)
Payback of Housing Receipts	(9,178)			(9,178)	(9,178)	0	0			0					0	(9,178)	0	0	(9,178)	(9,178)	0
General fund Contribution to HIP	(5,277)			(5,277)	(5,277)	0	(5,000)			(5,000)	(5,000)		(5,000)	(5,000)	0	(15,277)	0	0	(15,277)	(15,277)	0
Supported Borrowing	0			0	0	0	0			0	0	0	0	0	0	0	0	0	0	0	0
Reserves & Revenue	1,487			1,487	618	(869)	923			923	1,430	507	571	0	(571)	2,981	0	0	2,981	2,048	(933)
Capital Grants	86,820		832	87,652	87,599	(53)	139,608			139,608	144,518	4,910	15,836	10,955	(4,881)	242,264	0	832	243,096	243,072	(24)
Section 106 Funds committed	6,822		335	7,157	7,333	176	1,400			1,400	1,120	(280)	0	0	0	8,222	0	335	8,557	8,453	(104)
Section 106 Funds - new	2,060			2,060	2,060		788			788	788		6,163	6,163	0	9,011	0		9,011	9,011	0
External Contributions	355		29	384	201	(183)	10			10	0	(10)	3,110	3,071	(39)	3,475	0	29	3,504	3,272	(232)
TOTAL RESOURCES	143,502	0	1,196	144,698	134,166	(10,532)	166,304	0	0	166,304	167,006	702	153,680	137,839	(15,841)	463,486	0	1,196	464,682	439,011	(25,671)
Forecast variation (under)/over				49,739	10,842		13,874	1,460			20,173	4,839	(88,834)	(79,140)	9,694	(34,603)				(9,230)	25,373
Cumulative position							13,874	1,460			69,912	15,681	(74,960)	(9,228)	25,375						

Appendix B

2010/11 Capital Programme Forecast Housing Investment Programme

Description	2010				2011			2012			2013/14-2015/16			All years total		
	Budget	Spend to date	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
Programme	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Decent Homes and associated works	49,986,777	5,371,337	45,088,727	-4,898,051	54,729,326	44,879,721	-9,849,605	59,175,002	50,331,678	-8,843,324	188,292,000	127,340,442	-60,951,558	352,183,106	267,640,568	-84,542,538
Landlord obligations	21,396,945	177,355	14,728,834	-6,668,111	11,517,200	16,877,335	5,360,135	7,194,985	7,200,000	5,015	21,600,000	21,600,000	0	61,709,130	60,406,169	-1,302,961
Regeneration schemes	14,526,532	1,107,978	10,588,957	-3,937,575	14,956,619	3,221,983	-11,734,636	0	4,605,903	4,605,903	0	17,226,226	20,586,000	29,483,151	35,643,069	6,159,918
Other	7,398,494	1,783,049	10,910,187	3,511,693	4,067,061	8,454,034	4,386,973	3,787,744	4,998,781	1,211,037	4,200,000	4,199,232	-768	19,453,299	28,562,234	9,108,935
Strategic Safety works	5,102,964	178,612	5,414,896	311,932	5,257,565	4,950,648	-306,917	5,005,015	5,000,000	-5,015	0	0	0	15,365,544	15,365,544	0
Heygate	5,387,420	480,247	5,687,420	300,000	2,589,545	2,276,801	-312,744	0	379,662	379,662	0	0	0	7,976,965	8,343,883	366,918
Aylesbury	3,540,000	164,413	5,611,000	2,071,000	4,637,747	9,662,000	5,024,253	0	10,434,000	10,434,000	0	8,919,000	8,919,000	8,177,747	34,626,000	26,448,253
TOTAL HIP SPEND	107,339,132	9,262,991	98,030,021	-9,309,112	97,755,063	90,322,522	-7,432,541	75,162,746	82,950,024	7,787,278	214,092,000	179,284,900	-31,447,326	494,348,942	450,587,467	-43,761,475

Financed by	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Corporate resource pool	5,109,726	178,612	5,417,163	307,437	5,583,331	4,950,648	-632,683	5,005,015	5,311,986	306,971	0	18,275	18,275	15,698,072	15,698,072	0
Housing receipts **	26,716,165	1,180,223	22,826,000	-3,890,165	36,417,000	33,057,000	-3,360,000	25,571,250	25,571,250	0	78,570,000	42,630,226	-35,939,774	167,274,415	124,084,476	-43,189,939
Supported borrowing **	12,526,000	5,000,000	12,526,000	0	0	0	0	0	0	0	0	0	0	12,526,000	12,526,000	0
Reserves & revenue **	15,883,053	0	13,384,484	-2,498,569	13,139,149	14,082,153	943,004	6,833,508	7,937,008	1,103,500	20,436,000	20,463,709	27,709	56,291,710	55,867,354	-424,356
Capital grants	5,187,142	493,983	4,474,142	-713,000	4,967,240	318,716	-4,648,524	0	6,151,777	6,151,777	0	0	0	10,154,382	10,944,635	790,253
Section 106 funds	85,240	0	3,258	-81,982	14,760	100,000	85,240	0	8,704	8,704	0	0	0	100,000	111,962	11,962
MRA**	37,572,896	2,410,173	37,575,181	2,285	37,485,252	37,665,674	180,422	37,752,973	37,969,299	216,326	115,086,000	116,172,690	1,086,690	227,897,121	229,382,844	1,485,723
External contributions	4,258,910	0	1,823,793	-2,435,117	148,331	148,331	0	0	0	0	0	0	0	4,407,241	1,972,124	-2,435,117
TOTAL HIP RESOURCES	107,339,132	9,262,991	98,030,021	-9,309,112	97,755,063	90,322,522	-7,432,541	75,162,746	82,950,024	7,787,278	214,092,000	179,284,900	-34,807,100	494,348,942	450,587,467	-43,761,475

Item No. 13.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Gateway 1 – Initial Procurement Strategy Parking and Traffic Enforcement Services Contract	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Barrie Hargrove, Transport, Environment and Recycling	

FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING

1. I welcome the innovative approach to the re-tendering of this contract. The possibility of introducing Civil Enforcement Officers throws open the possibility of the authority taking on a more active role protecting our highways is something that would bring tangible benefits to highway using public, particularly in the light of our administration’s recently signing up to the London Permit Scheme.
2. Working co-operatively with other London Councils is also something that is important to this authority. So within this planned contract that option is being actively explored.
3. I therefore recommend this report to my cabinet colleagues.

RECOMMENDATION S

4. That the cabinet agree to further market testing to explore the range of issues set out in paragraphs 16 -18 of this report.

BACKGROUND INFORMATION

5. London Borough of Southwark currently operates 3 parking services enforcement contracts with a total value of £6.35 million per annum. The current contract values are as follows
 - parking enforcement (including school crossing patrols) £3.2 million per annum,
 - clamping, removal and car pound contract £700,000 per annum, with a variation to include the housing estate enforcement contract of £1.1 million per annum.
 - the parking business support contract £1.3 million per annum including an extension to provide cashless parking services.
6. In addition there are two service areas which are currently undertaken but not formally contracted out
 - Abandoned vehicles contract valued at £35,000 per annum procured on a casual basis.
 - Bailiff services which in future will be procured jointly with the Revenues and Benefits Service.
7. The current parking enforcement, clamping and removal and car pound (including estates) and the business support contracts expire on 30 June 2011.

Summary of the business case

8. The range of services currently delivered in the existing parking contracts includes:-
- Deployment of on-foot civil enforcement officers
 - Deployment of mobile civil enforcement officers
 - Removal and relocation of vehicles
 - Car pound operations
 - School crossing patrols
 - CCTV parking and traffic enforcement
 - CCTV public protection monitoring
 - Parking back office software supply and maintenance
 - All statutory noticing
 - Scanning of documentation
 - Processing of postal payments
 - Providing a parking expert telephone enquiry service
 - Response to early appeals
 - Investigation and recommendation in regards to representations
 - Web/telephone permit renewal and application services

Developments in parking services

9. There are a number of development in the area of parking enforcement which are liable to significantly change the manner in which these services are delivered over the term of the next parking services contracts including:-
- reduction of vehicle removals both on street and on the estates,
 - ending of clamping on estates and private land,
 - fully digital CCTV parking and traffic enforcement
 - use of small efficient vehicles fitted with Automated Number Plate Recognition (ANPR) equipment
 - virtual parking permits for residents, resident's visitors and businesses
 - carbon based parking charges

A wider role for Civil Enforcement Officers

10. In addition to parking enforcement the Council needs to control other works or activities that take place on the highway, such as
- Road works
 - Street Trading (Both Shop Frontage and Mobile)
 - Scaffolding (Both on the public highway and on private land adjoining highway)
 - Hoardings (Both on public highway and on private land adjoining highway)
 - Building Materials on the public highway
 - Mobile Construction Equipment on the highway (Cranes and Cherry pickers)
 - Events on the public highway
 - Skips on the public highway
11. Permitting and licensing procedures in relation to these activities have been reviewed; however there is still a significant amount of such activity that takes place in the Borough without proper notification to the Council. A number of metropolitan authorities have expanded the role of Civil Enforcement Officer (CEO's) to deliver the monitoring of such activity.

Packaging options

12. The new parking services contracts could be packaged as two rather than the current three contracts, as the clamping, removal and car pound elements of enforcement are reducing in size and scope, abandoned vehicles will be amalgamated in to the parking enforcement service contract and that the pay by mobile parking service will be one of the elements in the parking business support services contract.
13. It may also be possible to evaluate a parking enforcement separately from the back office solution which may mean more than one contractor providing all services. When one contractor provides all of the services there can be a conflict of interest between enforcement and back office processes, though it may be that a single supplier can offer economies of scale to make that route the most financially attractive.

Market considerations

14. Data from other local authorities across London shows that the of the 33 London Authorities 21 out source at least the parking enforcement part of parking services. Of the 18 inner London Authorities only 3 use an in house team and none of the Central London Authorities use an in house team.
15. There are three main parking services enforcement contractors APCOA the current incumbent in Southwark, NSL (formerly NCP services) and Mouchel. There are a further three known smaller operators, On-Time, Vinci and Legion. It is anticipated that due to the geographic location of Southwark, situated in central London a number of companies from outside the current UK market may also express an interest.

Proposed procurement route

16. There are 4 options for procurement
 - An in house service team
 - Joining a framework agreement
 - Letting our own contract
 - Partnering with another local authority
17. An option appraisal has been undertaken (Appendix 1). The options of an in house team, and a framework agreement are not recommended on the basis of cost and the fact there is no London wide framework agreement in place respectively. It is therefore proposed to continue considering the options of letting our own contract and partnering with another London Authority as both options offer the potential for meeting our service objectives.
18. It is proposed to commence a series of structured market testing interviews with the suppliers identified above with a view to establishing:-
 - The most economically advantageous packaging options for the services
 - Service providers response to a wider role for CEO's
 - The availability of innovation to increase service efficiency
 - Options for using parking services to contribute to sustainable transport policies.
19. There are two other London local authorities which are on a similar time scale for the provision of replacement parking enforcement contracts. Over the next three months officers will be exploring the options of joint procurement with those authorities.
20. Following analysis of the market testing and discussions with other London Authorities a full Gateway 1 procurement report will be brought to the cabinet in January 2011.

KEY ISSUES FOR CONSIDERATION

Policy implications

21. The recommendations contained within this report are consistent with the policies of the Parking and Enforcement Plan and associated Transport local implementation plan. The recommendations are also consistent with the Sustainable Community Strategy - Southwark 2016.

Community Impact Statement

22. The enforcement of parking controls assist pedestrians, particularly those with impaired mobility to cross streets and contributes to an improved environment through the elimination of on-street commuter parking and the associated reduction of local and borough-wide traffic levels with improvements to local air quality and noise reductions.
23. The policies within the Parking and Enforcement Plan are upheld within this report have been subject to an equality impact assessment (EqIA).

Sustainability considerations

24. As part of this procurement the council will seek to reduce the number of removal vehicles and at the same time improve their emissions to meet Euro V emissions standards complaint, whereas the current vehicles have a Euro 3 or 4 level status only.
25. Currently the contractor operates 3 Toyota Prius Hybrid vehicles; in the future the contractor will be required to provide 3 ANPR equipped vehicles. The replacement vehicles CO2 emissions will be below 100gm/km and therefore congestion charge exempt. In addition we currently operate a number of motorcycles; the future contractor will be expected to provide a mixture of conventional and electric vehicles to replace these.

Economic considerations

26. Through the overall project plans the contractor will be encouraged to include a local economic benefit plan.
- Advertising opportunities in local press, and a range of publications to reach small businesses, ethnic minority owned business and social enterprises
 - Asking contractors/suppliers to engage with borough-wide employment programmes such as Southwark Works and Building London Creating Futures to support unemployed residents' access to training, skills and sustainable employment
 - Asking contractors/suppliers to engage with apprenticeship schemes
 - Requiring contractors/suppliers to use local companies in their sub-contracting and supply chain arrangements

Social considerations

27. Small businesses SME's are not precluded from bidding for these contracts, but it is unlikely they would be able to provide the full range of services required. SME's may find its way into one of the contracts as a sub-contractor particularly in contracts such as the business support contract where larger competitors may be weaker.

Environmental considerations

28. The pre-qualification questionnaire will contain questions designed to ensure that all suppliers that are short listed have reached a suitable standard on environmental issues, and that they have not breached environmental law to any significant degree.

Resource implications

Staffing Implications

29. The market testing interviews and discussions with other boroughs will be undertaken by the parking services and development manager with assistance of a parking project manager. There will be input from Subject Matter Experts within Parking Services.

Financial implications

30. The costs of undertaking the recommendations contained in this report can be met from current service budgets.

Legal implications

31. London Borough of Southwark are required to carry out parking and traffic enforcement, following the adoption of decriminalised powers initially under the Road Traffic Act 1991 from April 1994.

Consultation

32. London Borough of Southwark are required to carry out parking and traffic enforcement in accordance with the Traffic Management Act 2004 as amended, and are expected to put in place a parking policy which is similar to those operated by other London boroughs. Consultation takes place in regards to this through the Transport and environment committee at London Councils. Network development carry out consultation with the public in regards to parking controls through the borough. The next transport plan due in 2011 will contain an update on Southwark's parking and enforcement plan; this will be widely consulted upon.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

33. This report seeks the Cabinet's approval to undertake market testing to explore a number of issues relating to the future procurement of this service. Market testing is a useful tool to assist the council in developing its strategy and ensuring it meets the council's needs but is deliverable by the market. Officers from the contracts team will provide advice during the market testing to ensure that it is conducted in a transparent manner so as not to benefit any organisation which might later submit a bid when the procurement commences.

Finance Director EN/NR/090910

34. Market testing will allow the Council to examine alternative methods of service delivery offering good value for money. The costs of the market testing exercise can be covered from within existing budgets, with the overall aim of delivering a more effective service using fewer resources.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Parking Contracts	160 Tooley Street	N.Costin 0207-525-2156
Parking Enforcement Plan	160 Tooley Street	N.Costin 0207-525-2156

APPENDICES

Appendix number	Title of appendix
1	Delivery options

AUDIT TRAIL

Lead Officer	Gill Davies Strategic Director of Environment and Housing		
Report Author	Des Waters, Head of Public Realm, E&H		
Version	Final		
Dated	September 2010		
Key Decision?	Yes	If yes, date appeared on forward plan	May 2010
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments included	
Strategic Director of Communities, Law & Governance	Yes	Yes	
Finance Director	Yes	Yes	
Contract Review Boards			
Departmental Contracts Review Board	Yes	Yes	
Corporate Contracts Review Board	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team			13 September 2010

Gateway 1 – Initial Procurement Strategy
 Parking and Traffic Enforcement Services Contract

Parking Service Delivery Options - Appendix One

Delivery Options for consideration

- Option 1 - In house service team
- Option 2 - Joining a framework agreement
- Option 3 - Letting our own contract
- Option 4 - Procuring jointly with another local authority

Element	Weighting (wtd)	option1	option wtd1	option2	option wtd2	option3	option wtd3	option4	option wtd4
Design and scope	10.0%	8	8	7	7	8	8	8	8
Accountability & governance	7.5%	5	3.75	0	0	9	6.75	7	5.25
Financial assessment	15.0%	4	6	5	7.5	9	13.5	6	9
Quality of service	10.0%	7	7	5	5	7	7	7	7
Local economy and community wellbeing	10.0%	8	8	5	5	8	8	8	8
Added value	7.5%	6	4.5	5	3.75	7	5.25	7	5.25
Sustainability	7.0%	8	5.6	5	3.5	8	5.6	8	5.6
Equalities impact	7.0%	8	5.6	5	3.5	8	5.6	8	5.6
Capability, management and intellectual knowledge	7.0%	7	4.9	5	3.5	7	4.9	7	4.9
Organisational arrangements	7.0%	7	4.9	5	3.5	7	4.9	7	4.9
Quality of employment	7.0%	9	6.3	5	3.5	9	6.3	9	6.3
Corporate impact	5.0%	5	2.5	5	2.5	7	3.5	5	2.5
Total	100.0%	82.0	67.1	57	48.25	94	79.3	87	72.3

This option appraisal results in option 3 and 4 being most favoured based on selection criteria

Options Appraisal criteria

The Options Appraisal Criteria Matrix is divided into twelve sections, which cover the full range of into account in appraising options. They are summarised below:

1. **Design and scope:** How each option meets strategic objectives, vision and aspirations, ability to meet current and future needs, user views, effect of creating/extending market mechanisms, scope for synergies and design/technical assessment.
2. **Accountability, governance and participation:** The implications of each option for enhancing democratic accountability, transparency and scrutiny and user/community and staff/trade union involvement in planning, policy and provision.
3. **Financial assessment:** Assess whole life and transaction costs, investment requirements and funding, affordability, use and allocation of savings, Best Value and risk assessment.
4. **Quality of service:** The potential impact on performance, service integration, continuous improvement and innovation, flexibility and responsiveness, accessibility and connectivity.
5. **Local/regional economy and community well being:** Assess impact on jobs, skills, labour market and local economy, contribution to regeneration and economic development strategies, community well being and cohesion.
6. **Quality of employment:** Application of employment models to each option, ability to retain terms and conditions, pensions and labour standards, impact on working practices, workplace training, access/provision of childcare and health and safety in workplace and community.
7. **Sustainable development:** Impact on local/regional production and supply chains, access to parks and recreational activities, services and facilities, environmental impacts and efficient use of resources.
8. **Ability to address social justice and inequalities:** The appraisal should identify how each option will reduce/eliminate health and other inequalities and discrimination for different equality groups. It should include a distributional analysis of the costs and benefits of each option and assess the contribution to building community capacity, power and participation.
9. **Capability, management and intellectual knowledge:** Effect of each option on retention of key skills and intellectual knowledge, ability to manage change and regulatory frameworks and transferability of skills to rest of the authority.
10. **Organisational arrangements:** Effect on flexibility, scope for collaboration and consortia, impact of transfer to arms length bodies and trusts and capability of third sector organisations.
11. **Added value:** Proposals over and above core requirements and additional community benefits.
12. **Corporate impact on the authority:** Assess the impact on the viability of in-house provision, service integration and the financial and employment knock-on effects on central and other services.

Item No. 14.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Southwark Markets and Street Trading Strategy 2010-2013	
Ward(s) or groups affected:		Borough-Wide	
Cabinet Member:		Councillor Barrie Hargrove, Environment, Transport and Recycling	

FOREWORD - COUNCILLOR BARRIE HARGROVE, ENVIRONMENT, TRANSPORT AND RECYCLING

1. In 2008 the Council commissioned a strategic review of markets and street trading in our borough. Amongst the conclusions were that although traditional retail markets are in most cases in decline, there is potential for Southwark’s markets to become more vibrant and attractive to a greater number of both shoppers and traders.
2. This report seeks to initiate the findings of that study. I am therefore proposing that the strategy is agreed, the delayed action plan is now implemented, including the long awaited resurfacing of East Street, the consultation of the proposed change in the legislative framework is commenced. I am also agreeing to a relaxation of the five stall away rule operated in East Street market, albeit only on the basis of clearly understood business requirement needs under which it can be relaxed.
3. I am also very keen that a lead member-trader-officer quarterly forum is re-instated and I have asked officers to take this forward.

RECOMMENDATIONS

4. That the Cabinet agrees the Southwark Markets and Street Trading Strategy (summarised in paragraph 10 below) and attached as **Appendix 1**.
5. That the Cabinet authorises officers to begin implementing an improvement action plan outlined in **Appendix 2**.
6. That the Cabinet approves the commencement of further consultation on changing the legislative framework from London Local Authorities Act 1990 as amended to Part 111 of the Food Act 1984.
7. That the Cabinet agrees that the five stall away rule can be relaxed only under the following circumstances: Either when a temporary trader wishes to trade and enforcing the 5 stall away rule would mean the trader would be unable to trade on that day; or if an existing licenced permanent trader wishes to expand by taking on an adjacent vacant stall. A minimum of 1 stall away would always remain.

8. That the Cabinet seeks to further invigorate participation in market development by creating a strategic quarterly forum with the Lead Member, Officers, Southwark Association of Street Traders (SAST), and any other relevant parties.

BACKGROUND INFORMATION

9. Towards the end of 2008 the Council commissioned a Strategic Review of Markets and Street Trading in the Borough working with the National Association of British Markets Authorities with the participation of traders' representatives. This review was completed at the end of January 2009. One of the main recommendations of the review was the development of a Markets and Street Trading Strategy.
10. The aim of the Strategy is to chart the way forward to revitalizing markets and street trading so that they play a full part in the regeneration of Southwark, maximise their economic and employment benefits, promote and sustain independent and small businesses, provide access to high quality affordable food and other commodities and contribute to a vibrant public realm.
11. The Strategy has been developed at a time when traditional street markets across the country have seen a decline. The position in Southwark reflects the national picture with some markets seeing a decline in trader numbers with others performing well.
12. A key objective set out in the strategy is the reduction of the Street trading deficit. There is a significant deficit of £820K on the account which the Strategy must address and attempt to reduce and clear.

KEY ISSUES FOR CONSIDERATION

13. The Strategy has two main aims. These are to:
14. Regenerate Southwark's markets addressing the issues causing the decline in traditional markets and making them more attractive as retail destinations and to visitors to the borough.
15. Identify opportunities for establishing new markets in Southwark that contribute economically, socially and culturally to the borough.
16. The Strategy provides the overarching direction for the service but recognises that each market is unique and serves a different community. Improvement plans will be developed for each of the existing markets within the framework set out in the Strategy.
17. The key elements of the strategy focus on eight key areas that will contribute to revitalizing and transforming our markets. These are:

Markets Playing a Full Part in Regeneration

18. In the past there was a lack of engagement of the market and street trading operation in the regeneration and planning processes. This, linked with the lack of market rights arising from the legislative framework and the absence of a markets strategy, means that there has been an uncoordinated expansion of private markets in the borough.

19. There has also been a lack of joined-up working at both strategic and operational level. The role and contribution of markets and contribution to helping deliver core strategic objectives has therefore been limited.
20. Markets can play a significant role in regeneration as part of the retail economy of the borough and contribute to the opportunities identified in the Council's Retail Capacity Study. To maximise this contribution the Council needs to take a more coordinated approach to both new developments and revitalising existing markets as part of regeneration schemes.
21. Markets are part of the overall retail economy of the borough and they work with other forms of retail to enhance the economy of the borough. We aim to seek new opportunities for markets as part of regeneration schemes.
22. To succeed the role of markets in regenerating the Borough needs to be recognized and incorporated into relevant regeneration and planning policies and action plans. The Strategy proposes that this will recognize the importance of existing local markets and how they impact on the local area taking care when proposing new markets to ensure that the correct balance is maintained.

Thriving & Viable Markets

23. To address the decline that Southwark has seen in traditional retail markets (excluding for example Borough Market) the Council needs to improve the viability of markets by linking traders to business support mechanisms that are available for small businesses and encouraging new business start-ups. There is also a need to promote the variety and diversity of job opportunities including the potential for providing local employment. An essential part of the success of our markets is ensuring that they meet the needs of users and residents.
24. The Council recognizes that street traders are small business operators and therefore supports their development wherever possible. New business start-ups can be encouraged to consider market trading as a first business step and be supported in this process. Another objective is to ensure there are fewer barriers to people trading in markets and seek to work with Black, Minority and Ethnic business support organisations to increase the diversity of street trading in the Borough.
25. The number and type of stalls in any market also needs to complement not compete with the existing retail mix of an area. We will also ensure that there is some form of quality control of product and trader in place for new and existing stallholders so that the products they offer for sale not only meet the requirements of Environmental health and Trading Standards but attract shoppers and add to the offer available on each market.

Improving the Public Realm

26. How our markets look and feel is an important element in making them work as successful retail and leisure destinations. The Strategy sets an objective of seeking capital investment to upgrade the market infrastructure and the public realm in and around market areas. The current lack of access to capital investment to upgrade existing market areas has hindered their development and contributed to their decline. In the current financial climate which the

Council operates we need to be creative in how we identify and secure capital investment. New stalls are a key element of these improvements the Strategic review demonstrated that financially this was a viable option but equally important was the image this would create on the markets.

Improving the branding and promotion of Southwark's Markets

27. We will aim to improve how markets and their benefits are promoted to key stakeholders and improve how markets are promoted to attract more users and more traders. We need an effective communications and marketing strategy to promote Southwark's markets and other street trading sites. A successful outcome will mean active brand management to increase the brand value and image of markets and ensure they attract customers and traders to return. A poor image and lack of marketing offer little incentive for traders and customers to return. The communications plan should take account of all stakeholders, including traders, customers, the Council and the private sector. It should set out the style and frequency of communication and who will lead the process.

Greening Southwark's Markets

28. Markets have a major role to play in environmental sustainability through encouraging green travel, reducing waste, recycling, eliminating packaging and local food. We will develop the role street markets have in promoting and engaging with policies on environmental sustainability and becoming sites of good practice. The Council will also ensure that markets play a full part in delivering the objectives of the Council's future food strategy

Markets as spaces for social interaction

29. Markets are more than just economic entities they have a role as spaces for social interaction and can contribute to community cohesion. Good markets are at the centre of the communities they serve. We will develop street markets that reflect the diversity of Southwark and promote their role as spaces for social interaction and inclusion.

Modernising Management of Our Markets

30. The Council will modernize how our markets are managed, reviewing policies, procedures and working practices to support thriving markets and encourage entrepreneurship. To succeed we need to work closely with traders and we will improve consultation and engagement with traders and bring in the expertise to transform and modernize the service. The Strategic review of the Service acknowledged that some excellent work was being done across the Council and that there are a great many opportunities to develop and expand the markets service so that it meets the challenges of the future.
31. The review considered a number of options for the future provision of the Service as follows:
- Private licensed operator with internal monitoring team and market champion. The Council retains the strategic management of the portfolio, and creates a small client team; it then seeks a private operator to manage the day to day operation.

- Partnership with the private sector. The Council seeks a full strategic and operational partner to transform the markets.
 - Operate the markets in-house. The Council retains the strategic and operational management of the markets by recruiting the necessary staff and skills.
 - Trader managed operations. The Council explores the option of market traders directly managing the day-to-day operation.
 - A Gateway report to Cabinet outlines these options for decision.
32. Historically the management of markets has taken a regulatory/enforcement approach. This has meant the skills and experience required to successfully manage modern markets have not been applied. Through our partners and key stakeholders, we will bring a more commercial approach focused on retail, marketing and customer focus. We will also promote the social value of markets.
33. There are clear and significant issues arising from the current regulatory/legislative framework that are having a deleterious effect on the markets and the Strategy suggests changing the legal basis on which the Council operates markets and street trading.
34. Like the majority of London Boroughs the market and street trading operation of Southwark Council is governed by the provisions of the London Local Authorities Act 1990 (as amended). The focus of the London legislation is street trading, which does not fall within the definition of a market that gives rise to market rights.
35. Markets arising from franchise (e.g. charter markets) or statute are afforded certain rights in law. They have the right and power to control the establishment of 'rival' markets within a given distance of the franchise or statute market (6.66 miles). Whilst the London Local Authorities Act 1990 gives some restricted control over markets close to a public highway, it does not afford the same level of protection. There are many reasons why market rights are important. The ability to control other market events and the ability to use market rights enables many local authorities outside London to organise markets on a more structured basis. The Strategy aims to move towards organizing markets in Southwark in a more structured way.
36. London Boroughs can operate markets on the same basis as local authorities throughout England and Wales. In addition to the various powers available under charter, letters patent, prescription, custom and practice and local legislation it is possible to utilise the provisions of Part 111 of the Food Act 1984 which provide, inter alia, the following:
- Section 50 – The ability to establish or acquire a market
 - Section 52 - Appointment of market days and hours
 - Section 53 - Charges
 - Section 61 - Interpretation which provides that a local authority includes a London Borough.
37. Currently street trading is limited in terms of what can be charged by allowing

only “as may be sufficient in the aggregate to cover in whole or in part the reasonable administrative or other costs in connection with their functions under this Part of the Act. The 1984 Food Act legislation section 53 provides that “a market authority may demand in respect of the market such charges as they may from time to time determine”. This enables the Council to apply further commercial considerations to market activities not currently available under the existing legislative framework.

38. There are many reasons why market rights are still important. The ability to control other market events has always been near the top of the list and while case law in respect of so called rival markets has been a little “thin on the ground” in recent years the ability to use market rights enables many local authorities to organise markets on a structured basis. Dealing with charges in more commercial and flexible ways is always an attraction to use the markets legislation under the 1984 Act and recommendation 6 proposes that consultation is initiated with a view to changing the legislative basis for markets in Southwark.
39. The street trading legislation in London provides a framework for determining applications. There is no reason why a London Borough cannot develop additional policies in respect of street trading to deal with matters such as quality provided that any policies do not conflict with the legislation. The same position applies equally in respect of markets. Further consultation will be carried out on this proposal.
40. The current allocations policy stipulates that traders with similar goods are kept a minimum of five stalls apart. This stipulation is long standing and was put in place at a time when Street Markets were full, with a long Temporary trader list seeking a days trading. However, Street Markets are now running at 56% occupancy levels, carrying a financial deficit of £820K that is rising year on year. There is a need to review this rule, and to give Managers the ability to relax this rule on any given market day to ensure we can fill as many stalls as possible and not turning traders away. We also need to be able to give an additional stall to an existing trader if the stall next door is empty that would put them less than five stalls away. Therefore, recommendation 7 proposes that we relax this rule to ensure we are able to maximise occupancy levels, without detriment to existing traders.
41. The Strategic Review pointed out that the current allocation policy needs to be replaced to attract and retain new traders and new products. This in turn may encourage local people to trade and offer products that fit the requirements of the changing local demographics. Successful modern markets need a management system that is able to identify and respond to new trading opportunities. Equally it requires an understanding of the demands and aspirations of the customer. We will address this skills gap and ensure there are effective and modern systems and procedures in place for the effective management of a dynamic retail environment.

Action for individual markets

42. We will implement an action plan for individual market sites that improves each market within the framework set out in this strategy. We will identify new opportunities for establishing markets linked to the regeneration of the borough. New developments will use the Mosaic demographic/lifestyle analysis to identify customer profiles and inform the type and quality of retail offer in each area to

help build the business case for change and development.

Policy implications

43. The Markets and Street Trading Strategy supports the Objectives and Priorities of the Sustainable Community Strategy (Southwark 2016) and the Council's Corporate Plan. The Strategy also makes links between markets and street trading and the Southwark Plan, the developing Local Development Framework and the Council's Regeneration Plan and Policies, including the LDF and Southwark Employment and Enterprise Strategies as outlined in the comments from Regeneration and Neighbourhoods.
44. The value of street markets and street trading more generally is increasingly recognized for its economic and social benefits. Well managed and supported Street Markets:
- Provide access to high quality affordable food and other goods.
 - Have significant economic and employment benefits.
 - Promote and sustain independent and small businesses and can be a fertile environment for black and minority ethnic entrepreneurs as business start-ups.
 - Contribute to a vibrant public realm that people enjoy and feel safe using.
45. The Council is keen to work with the community to develop markets and street trading in Southwark to ensure that they fulfill their potential to:
- Increase their pull to visitors and destination shoppers.
 - Become successful economic, social and cultural institutions.
 - Encourage more entrepreneurship, independence and innovation.
 - Support an extraordinary range and variety of businesses.
 - Promote distinctiveness and vibrancy in a well managed and maintained public realm.
 - Provide access to affordable, healthy and high quality food and other commodities including to those on low incomes.

Community impact statement

46. The Strategy aims to ensure that markets are inclusive of all residents of the borough including black and minority ethnic communities and those with disabilities. The Strategy will seek to change current Street Trading operational policies and practices that hinder the ability of some new traders to establish themselves on Southwark Markets, to ensure that Markets and street trading have a positive impact on the community. The Strategy also aims to develop these opportunities by developing the role of Markets in:
- Providing access to high quality, healthy, affordable food and other goods including for those on low incomes.
 - Having significant economic and employment benefits.
 - Promoting and sustaining independent and small businesses and becoming a fertile environment for black and minority ethnic entrepreneurs as business start-ups.
 - Contributing to a vibrant public realm that people enjoy and feel safe using and reflects the cultural diversity of contemporary Southwark.

Resource implications

47. Many of the initiatives set out in the Strategy do not require significant financial resources and can be implemented within existing resources (largely existing staff time). As part of the implementation of the Strategy resources will be sought externally where available. Any additional bids for council resources will be made through the Council's policy and resourcing strategy and this report does not attempt to pre-empt that process.
48. The Strategy aims to raise additional income by maximising trader numbers through revitalising existing markets and taking advantage of opportunities for new ones to reduce and over time remove the deficit on the account.
49. A key recommendation of the Strategy is to change the legal framework under which the Council manages markets moving from the London Local Authorities Act 1990 (as amended) to the Food Act (1984). This will be the subject of separate consultation as part of the Strategy implementation plan, and is significant for a number of reasons set out in the Strategy.
50. A separate Cabinet Gateway report sets out the options for the best and most efficient way to operate Southwark's Markets and Street trading activities.

Legal/Financial implications

51. The street trading account is a ring fenced account and this means that all expenditure on the street trading service is met from fees and charges paid by the traders. There is a significant deficit on the account which the service must attempt to reduce and clear. This has arisen because the fees and charges to traders have not been sufficient in the face of declining trader numbers to cover the costs of operating the street trading service. A key objective set out in the strategy is the reduction of the Street trading deficit. A detailed financial recovery plan to reduce the current deficit is in place to bring the 2010/11 trading account back to a break even position, but these actions will not be able to reduce the existing deficit of £820K.
52. Comments by the Finance Director and Strategic Director of Communities, Law & Governance are set out below.

Consultation

53. Consultation was undertaken with traders and other key stakeholders on the draft Markets Strategy throughout October and November 2009, and as part of the Strategic Review of the markets completed in January 2009.
54. Consultation has taken place with all traders in Southwark and with bodies representing traders in the borough. We also consulted with ward councillors, local businesses and residents in areas where there are markets.
55. The consultation is now completed and the completed summary of results is contained in **Appendix 3**.
56. Respondents felt the most important issues facing Southwark's markets were:-
 - Lack of trade, inability to keep traders, lack of promotion, awareness
 - Impact of regeneration and the immediate environment (realm),

- developments in retail environments, supermarkets, people shop elsewhere
 - Access – lack of parking or high cost of parking
 - Poor management – lack of trust, ineffective, disinterested management
57. Respondents perceived this being tackled through making markets safe, welcoming and happy places to shop and work with bargains to be found. Parking issues need to be addressed. Step up advertising and promotion of markets which could be delivered by partnership working and investment.
58. The main findings support the general themes contained in the strategy with only some concerns expressed by consultees on the market testing of the market operations and designation of markets under Food Act 1984. There were also concerns raised by SAST in respect to altering the five stall away rule. The strategic review concluded that Southwark markets cannot continue operating in the same manner as before, so the adoption of these elements of the strategy are vital to ensure the present street trading deficit is tackled and reduced, together with providing a vibrant future for Southwark Markets over the next decade and beyond.
59. The Markets and Street Trading Strategy will continue to explore these options for change over the next five years, ensuring the best sustainable solution is pursued to enhance Markets in Southwark for future generations.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

60. The Strategic Director of Communities, Law & Governance (acting through the Contracts Section) notes the content of this report and confirms that internal and external legal advice has been sought and obtained by the report author in connection with the proposed Strategy and, in particular the legal framework within which the markets are intended to operate and be managed.
61. The report confirms that the Strategy is consistent with corporate policy and objectives and the SDCLG advises that it is also consistent with the power conferred upon the Council under section 2 of the Local Government Act 2000 to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

Finance Director (Env/ET/300610)

62. The proposed Strategy and implementation plan has been developed to recover the trading account deficit and put the trading account in a better financial footing to at least break even in the long term. The market testing to operate markets and street trading activities is one of main items in the Implementation Plan that will ensure that the most economically advantageous option is chosen that will ensure the deficit is cleared over the term of the contract.
63. The Head of Service has confirmed that the cost of implementing the proposed strategy will be contained within existing resources.

Strategic Director of Regeneration & Neighbourhoods

64. The economic development and planning policy teams in the council's

regeneration and neighbourhoods department welcome the opportunity to further support the development of a Southwark Market and Street Trading strategy action plan(SMST) following our involvement in the 2008 Strategic Review of Street Markets & Street Trading Service.

65. Planning policy and economic development will work closely in developing strategies that take forward Southwark 2016 priorities for the local economy and the economic well-being of residents. There are several key issues emerging throughout the review which will impact on the SMST strategy, particularly how aspirations and land-use policy set out in the LDF are translated and delivered, securing the commercial viability of the boroughs town centres particularly those that are not within planned development schemes, and how the development of the local business base can be directed to address worklessness and income deprivation.

BACKGROUND DOCUMENTS

Background Papers	66. Held At	67. Contact
Strategic Review of Southwark Markets & Street Trading Service, October –December 2008. (nabma consultancy services). Draft Markets Strategy document 2009	160 Tooley Street	John McHenry 020 75252105

APPENDICES

No.	68. Title
Appendix 1	Markets Strategy Document
Appendix 2	Implementation Plan for Markets Strategy
Appendix 3	Results of Consultation on Markets Strategy

AUDIT TRAIL

Cabinet Member	Councillor Barrie Hargrove, Environment, Transport and Recycling	
Lead Officer	Gill Davies, Strategic Director, Environment and Housing	
Report Author	Des Waters, Head of Public Realm	
Version	Final version	
Dated	9 September 2010	
Key Decision	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Strategic Director of Regeneration & Neighbourhoods	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	9 September 2010	

APPENDIX1

LONDON BOROUGH OF SOUTHWARK

MARKETS AND STREET TRADING STRATEGY 2010 - 2013

The Vision

To create an holistic street trading and market service that embraces public and private market operations and contributes to the regeneration of the borough, provides access to high quality affordable food and other goods, has significant positive economic and employment benefits, promotes and sustains independent and small business and contributes to a vibrant, safe public realm.

About the Strategy

This Strategy charts the way forward to reinvigorate and transform existing markets in Southwark and create new ones that significantly contribute to regeneration, social cohesion and entrepreneurial activity in Southwark.

Southwark's markets reflect the national trend in showing a mixed pattern of success with some markets thriving with others in decline over a number of years. In 2008 Southwark Council commissioned the National Association of British Markets Authorities to work with the Council and Traders to carry out a Strategic review of Markets and Street Trading in Southwark. This review revealed perceptions of Southwark's markets as unloved and in urgent need of investment, promotion and a more strategic approach and has informed the production of this Strategy.

The Strategic Review was commissioned to look at the role of Markets, how Southwark Council develops markets, modernises trading practices and takes advantage of new opportunities like more speciality markets so that they are more competitive, offer more choice and play a bigger part in the regeneration of the borough. The Council also identified that, as an essential part of this, it would be consulting with all traders and their representatives.

The objectives of the Review were:

- To assess the viability of current markets and identify opportunities for growth for example the development of speciality markets in the borough and linking markets to the regeneration of the borough.
- To review the current financial and management arrangements for the Street Trading Service and make recommendations on the future delivery mechanism whether in-house or through an external contractor.
- To assess the investment needs of the Street Trading infrastructure and how these might be met in the future.
- To draw on the experience of others in both the private and public sectors to inform the future direction of the service in Southwark in line with the Councils strategic objectives.
- To ensure that the concerns and aspirations of key stakeholders are incorporated into the review.

The Review concluded that there was an urgent need to take a more strategic approach to markets and street trading and to improve operational performance. The task is significant if markets are to be transformed. However it also concluded that the current operation is viable and by exploiting opportunities for development the removal of the current operating loss on the street trading account was possible. There are significant opportunities both to transform existing markets and to establish new ones.

This Strategy takes a holistic approach to address many of the problems and limitations facing Southwark's markets and develop street trading that:

- Increases the pull to visitors and destination shoppers
- Become successful economic, social and cultural institutions
- Encourage more entrepreneurship, independence and innovation.
- Support an extraordinary range and variety of local businesses.
- Promote distinctiveness and vibrancy in a well managed and maintained public realm.
- Provide access to affordable, healthy and high quality food and other commodities.

Street markets contribute across a range of central, regional and local government objectives and policies. These include those on economic development, regeneration, healthy eating, environmental sustainability and community cohesion. Through this strategy our ambition is for markets to become

thriving centres of economic and social interaction. The Strategy also points the way to identifying new opportunities for markets as an integrated part of regeneration schemes.

The Markets and Street Trading Service in the Council's Environment & Housing Department currently manages all of the Borough's street markets as well as isolated pitches across the borough. This strategy will be driven by Environment & Housing; however successful implementation will require proactive, integrated working with Major Projects, Regeneration and Neighbourhoods and other areas of the Council including social inclusion, environmental sustainability and events.

Part 1: Markets Role in Shaping Southwark

Part 1 sets out the role of street markets and street trading in the economic, social and cultural vitality of the area. It outlines the contribution markets make to national, regional and local policy.

Part 2: Markets and Southwark – the current state of play

Part 2 provides a snapshot of the demographic profile of the borough and information on the current number of pitches and licensed stallholders. This section also summarises some of the key findings of the Strategic Review of Southwark markets and the consultation exercises carried out.

Part 3: Forward to 2012 – Actions and Opportunities

Part 3 identifies the key issues emerging from our analysis together with the main actions and opportunities for Southwark Markets. Actions are grouped under eight key themes.

Part 1: Street Trading in Southwark – A Rich Heritage

1.0 Introduction

Southwark has a rich heritage of markets and street trading. This relates not just to the long history of street trading activity in the Borough but to markets association with such characters as Charlie Chaplin and Charles Dickens. This provides a rich legacy on which to build and one that remains relevant into the 21st Century.

The economic, cultural and social benefits of street markets and street trading should not be underestimated. They contribute to a rich mix of retail opportunities within Southwark and offer an affordable alternative to mainstream shopping options. Developing and improving street markets and trading sites in Southwark contribute to regeneration programmes that are transforming the borough. This is particularly significant in a recession when markets and street trading offer employment, develop entrepreneurialism and provide access to high quality affordable goods.

Like many places nationally Southwark's markets show a mixed pattern of success with some thriving while others have been declining over a number of years due to a range of national economic factors but also to local factors that we are working to address. Traditional markets like East Street have seen a decline in numbers of traders that has accelerated in recent years while for others like North Cross Road there is a significant waiting list of traders at weekends. To some extent this echoes the national trend with a surge in popularity of specialist and farmers markets.

A number of reasons have been attributed to this national decline in traditional retail markets such as increasing competition, including from online sales and other more traditional forms of retail, lack of investment in the markets infrastructure and changing demographics in the neighbourhoods that markets are situated.

The population of Southwark is increasing rapidly and projected to continue to grow over the period of this Strategy and beyond. At the same time the population is increasingly diverse. These demographic changes will have a significant impact on the economic and social success of markets and provide significant opportunities to develop markets that respond to this diversity and growth.

Economic conditions, particularly the ongoing impact of recession over the period of this strategy (2010-13) will also have a significant impact on the success of markets and the local/town centres they are currently operating in.

This Strategy supports the Objectives and Priorities of the Sustainable Community Strategy (Southwark 2016) and the Council's Corporate Plan. The Strategy also makes links between markets

and street trading and the Southwark Plan, the developing Local Development Framework and the Council's Regeneration Plans and Policies.

The SMST strategy will also be aligned to Southwark's Employment and Enterprise Strategies which in turn are linked to Southwark 2016 and the LDF.

The value of street markets and street trading more generally is increasingly recognised for its economic and social benefits. Well managed and supported Street Markets:

- Provide access to high quality affordable food and other goods.
- Have significant economic and employment benefits.
- Promote and sustain independent and small businesses and can be a fertile environment for black and minority ethnic entrepreneurs as business start-ups.
- Contribute to a vibrant public realm that people enjoy and feel safe using.

The Strategy seeks to develop markets and street trading in Southwark to ensure that they fulfil their potential to:

- Increase their pull to visitors and destination shoppers.
- Become successful economic, social and cultural institutions.
- Encourage more entrepreneurship, independence and innovation.
- Support an extraordinary range and variety of businesses.
- Promote distinctiveness and vibrancy in a well managed and maintained public realm.
- Provide access to affordable, healthy and high quality food and other commodities including to those on low incomes.

1.1 Scope of the Strategy

Southwark's four largest council-managed street markets are East Street, Southwark Park Road (The Blue), New Caledonian/Bermondsey Antiques Market and North Cross Road. There are also a number of small isolated trading sites throughout the borough including Westmoreland Road and Peckham Square. The Street Trading Strategy acknowledges the impact of the significant number of private markets that include Borough Market, East Dulwich Indoor market, Peckham Rye Lane market, Elephant and Castle, Farmers markets, trading opportunities at festivals and events in the borough including the Bankside winter festival. Some of these markets appear to be trading well and there are no current strategic or legal frameworks controlling them. All of these add value to the retail offer in Southwark and fall within the scope of the Strategy.

The Strategy and the eight themes it addresses acknowledge that markets operate in the context of the overall retail offer of the Borough and contribute economically, socially and culturally to Southwark. The Strategy is also set in the context of the Southwark Sustainable Communities Strategy (Southwark 2016) and the Council's Corporate Plan (2009-2011) and demonstrates how markets and street trading will contribute to delivering the key objectives and priorities of the Council and its partners.

The Strategy is set in the context of national and regional policy including the government's planning policy statement on planning for town centres that states:

“Street and covered markets (including farmers' markets) can make a valuable contribution to local choice and diversity in shopping as well as the vitality of town centres and to the rural economy. As an integral part of the vision for their town centres, local authorities should seek to retain and enhance existing markets and, where appropriate, reintroduce or create new ones. Local authorities should ensure that their markets remain attractive and competitive by investing in their improvement”.

Our Strategy aims to regenerate markets so that they are attractive and competitive retail and leisure destinations and address the issues that have contributed to their decline in recent years.

The strategy looks at the broad environment within which markets operate in Southwark. It recognises that markets are not just about the physical environment of the market itself but are about businesses and retailers and their development, design of the wider environment in which markets are situated, the demographics of the local population, the surrounding retail offer, and other factors that impact on the success of markets and the experience of consumers and visitors to them. It works to ensure that markets fulfil their potential to make successful places

The Strategy provides the overarching direction that we will follow up to 2013. However each market has its own unique characteristics and this will be picked up through action plans for each individual market within the framework set by this Strategy.

1.2 Policy framework

National Context

The Markets Policy Framework 2007, produced by the Retail Markets Alliance, identified that successful markets contribute to the social, environmental and economic well-being of the nation, by:

- Providing a sense of place
- Being part of the nation's cultural heritage
- Remaining an important element of the economy, particularly in relation to independent retailing, local employment and business start-up opportunities.
- Offering local access to fresh produce and other commodities
- Reducing environmental impacts e.g. by eliminating excessive packaging/waste.

The Policy Framework also identified five key policy areas that markets can contribute to:

- Regeneration/economy
- Food & health
- Culture & tourism
- Community cohesion
- Environment

Responsibility for markets at national level is spread across a number of departments. This fragmented responsibility means there is no overarching holistic approach to markets nationally with a number of policies and initiatives across several departments that impact on markets but do not realise the full potential of retail markets to contribute to national objectives.

The Government's *Planning Policy Statement 6 (PPS6)* states that "*Street and covered markets (including farmers' markets) can make a valuable contribution to local choice and diversity in shopping as well as the vitality of town centres and to the rural economy. As an integral part of the vision for their town centres, local authorities should seek to retain and enhance existing markets and, where appropriate, re-introduce or create new ones. Local Authorities should ensure that their markets remain attractive and competitive by investing in their improvement.*"

In July 2008, the Cabinet Office published *Food Matters – Towards a strategy for the 21st Century*. It states: "Street markets can be an important source of affordable, good quality food including fresh fruit and vegetables. They can be significantly cheaper than supermarkets and so provide access to good-quality fresh food to those on low incomes." It also states: "The success of farmers' and specialist markets and large revitalised city markets provide models for greater local engagement with fresh, affordable food and highlight an opportunity to modernise or develop new food markets. Cities and towns can, through their planning and food strategies, support farmers' markets and traditional street markets by:

- Identifying sites for markets, especially sites with good links to local transport infrastructure;
- Promoting markets and access, and challenging restrictions that limit signage for shoppers about opening times, and
- Looking at easing parking restrictions near markets to increase access.

Research carried out by the National Association of British Market Authorities (NABMA) and the World Union of Wholesale markets (WUWM) in 2008, looked at a number of economic indicators for market – the number of markets, the number of market traders, the number of people employed of markets and the economic (business) turnover of the markets per annum. This is summarised below for a number of EU States:

State	No. markets	Population (Million)	No. traders	No. employed	Gross turnover (Billion € p.a.)
France	4,900	63.8	50,000	20,000	4.75
Germany	3,000	82.2	50,000	150,000	4

Ireland	750	4.2	15,000	20,000	0.89
Netherlands	1,000	16.4	24,000	45,500	3.1
Spain	1,300	45.1	75,000	278,000	5
UK	1,200	60.6	46,000	46,000	1.38
Totals	12,150	272.3	261,000	559,500	19

Extrapolating the data for the whole of the EU produced the following:

EU Total	No. markets	Population (Million)	No. traders	No. employed	Gross turnover (Billion € p.a.)
	25,000	495.5	400,000	1,000,000	35

Markets are a significant industry across the EU.

In 2006, the Joseph Rowntree Foundation published research on *Markets as social spaces*. It concluded that: “Markets were important sites of social interaction for all groups in the community, but most significantly for older people, especially women. Markets also represent important social spaces for mothers with young children, young people, and families with children, particularly at weekends.”

It also concluded that: “where markets are managed by local authorities, good local management and a strategic vision by the council could help with their development. It was evident from the research, however, that some markets do not have a high profile or significant resourcing from the councils.”

Regional context

The London Plan provides the regional planning policy context for Southwark. The strategy and its sub-regional development frameworks set out more detailed requirements for spatial development and support for town centres. Future town centre planning should include an assessment of the significant role existing and new street markets play within the retail offer and contribute to the success of town centres.

The Mayor’s Food Strategy, May 2006 emphasise the key role food markets play in London’s food system. The strategy vision is for “a world-class, sustainable food system for London”. In the strategy food retail extends to all who are responsible for selling food and the significant role they play in promoting a healthy and more sustainable food chain in the capital. Street markets have a major role in providing access to local, healthy affordable food to those on low incomes. This is particularly important in areas of greatest deprivation.

The London Development Agency (LDA) has provided funding for the implementation of the London Food Strategy, however the main actions relate to the wholesale markets sector and training for public sector catering staff. Sadly little has been done to implement the actions relating to retail markets, although the wholesale sector is a vital piece of the overall picture. The LDA has also funded specific regeneration initiatives at certain markets. Borough Market, for example, has benefited from funding. The LDA has provided business support programmes for market traders. These are an essential part of developing the business skills of traders. The LDA is also responsible for wider promotion of London through Visit London. Much more could be done at a regional level to invest in the promotion and development of key retail markets in London.

Street markets can also make a contribution to environmental sustainability policies by encouraging walking and green travel options, minimising packaging, promoting local produce, reducing food miles and recycling, reducing and reusing waste.

In January 2008 the London Assembly’s Economic Development, Culture, Sport and Tourism Committee published a scrutiny review on *London’s Street Markets*. This report paints a mixed picture of the prospects for the capital’s street markets and calls for urgent action to protect and promote them. The report was the outcome of the first comprehensive survey of its kind of London’s markets. Spanning the past decade, it revealed that while some markets are flourishing, others, many of which have been at the heart of local communities for generations, are in serious decline.

The report goes on to say that some borough-managed street markets are fighting an ongoing battle with dwindling sales, competition from supermarkets and escalating rents; some have already been forced to close. The investigation shows seventeen markets are smaller than they were ten years ago, fifteen have been lost altogether, and only seven have expanded. Empty pitches are a serious threat to the survival of some markets, with the proportion of markets with empty pitches up from 38 per cent in 1997 to 48 per cent in 2007. In light of the problems facing many of London's markets, the report makes a number of recommendations for urgent action involving the Mayor of London, the Greater London Authority, the London Development Agency, Visit London, and the boroughs.

Local context

Southwark 2016: the Sustainable Community Strategy is an ambitious 10-year plan, which sets out what people want their borough to be like over the next decade, and what needs to be done to get there.

It is an important document that guides the work of all statutory agencies in the borough, as well as partners in the voluntary, faith and business sectors. It takes account of trends emerging in the borough and in London more generally, and followed an extensive consultation process that involved local service providers and the wider community.

The following table shows the key objectives and priorities of Southwark 2016. Markets contribute across the priorities but the particular contribution that markets and this strategy make is outlined in the third column of the table.

Southwark Council's *Corporate Plan 2009-2011* provides a summary of the Council's priorities and takes Southwark 2016 as the starting point. The six key themes of the Corporate Plan are also shown in the table.

2016 Objectives and priorities	Southwark Council Corporate Plan 2009-2011 key themes	Markets Strategy contribution
Improving individual life chances For Southwark's people to: <ul style="list-style-type: none"> • Achieve economic well-being • Achieve their educational potential • Be healthy • Stay Safe • Enjoy cultural and leisure opportunities • Value diversity and be active citizens 	<ul style="list-style-type: none"> • Everyone achieving their potential • Promoting healthy and independent living • Tackling the crimes which concern people the most 	<ul style="list-style-type: none"> • Markets playing a part in the regeneration of the Borough • Markets as breeding grounds for new business start-ups and entrepreneurialism • Skills development for new businesses • Markets providing access to good quality affordable commodities and to healthy food • Improving access to business advice and support • Promoting markets as cultural and leisure destinations • Improving safety in market areas • Markets that reflect diversity of the borough and as social spaces
Making the borough a better place for people A place that has: <ul style="list-style-type: none"> • Localities of mixed communities • Sustainable use of resources • More and better homes • A vibrant economy • A liveable public realm 	<ul style="list-style-type: none"> • Places where people love to live • Valuing the environment 	<ul style="list-style-type: none"> • Offering economic and other opportunities to new and existing communities • Greening our markets • Markets as business start-ups and linked in to business networks in localities • Public Realm improvements in market areas • Markets contributing to distinctiveness

<p>Delivering quality public services With public services that are:</p> <ul style="list-style-type: none"> • Accessible and integrated • Customer focused • Efficient and modern 	<ul style="list-style-type: none"> • Transforming public services 	<ul style="list-style-type: none"> • Markets service integrated with other Council services • Modernising the management of markets • Improvements to customer service
--	--	---

The Southwark plan is the framework for all land use and development in Southwark. The Southwark plan contains the planning policies we use to determine planning permission. The Markets Strategy is consistent with the policies set out in the Southwark Plan.

In July 2004 the Planning and Compulsory Purchase Bill was passed by the government. This introduced a new planning system that reforms the way development plans are prepared and adopted. Instead of one large document covering all land-use topics the new system requires local authorities to produce a Local Development Framework. This is made up of a number of different local development documents. In Southwark this will include a Core Strategy that replaces the Southwark Plan and other documents including a series of action plans for individual areas (Peckham, Canada Water). A further planning framework set out in the Southwark Plan together with supplementary planning guidance adopted in 2004 (Elephant and Castle Development Framework) and in 2008 (Elephant and Castle Enterprise Quarter) is in place to guide development in this location

The Local Development Framework documents will be prepared over a three year period and beyond and gradually replace the Southwark Plan and supplementary planning guidance. This means it is possible to update individual parts of the Local Development Framework; ensuring policies are up to date, flexible and responsive to changing circumstances. However, some elements will be retained and will be incorporated into a new Development Management Development Plan Document which will commence preparation towards the end of 2010.

The draft *core strategy* sets out the overall vision of how Southwark will change and develop up to 2026. Section 2 articulates the vision and objectives of the strategy.

It is important to emphasise that the Core Strategy is one of a set of planning documents within the Local Development Framework (LDF) and it is one of the most important documents in the LDF. It sets out our approach to development and planning across the whole of Southwark and sets out the policies we will use to make decisions on planning applications. The Core Strategy links to many other national and regional documents and must not go against national and regional policies. The London Plan together with the LDF is our development plan. The development plan is used to make decisions on planning applications.

Policy 3 on Shopping, leisure and entertainment includes the following statements:

We will maintain a network of successful town centres which have a wide range of shops, services and facilities, to help meet the needs of Southwark's population. Our centres will be well used because they are vibrant, easy to get to, friendly and safe.

In relation to markets, the supporting text to Policy 3 states:

We have recently carried out a review of markets in Southwark. This study emphasised the importance of maintaining our strong tradition of markets in the borough. Markets can help enliven town centres and add vitality to an area, by helping to provide a more varied shopping experience. They have the added benefit of giving more people access to fresh fruit and vegetables and also create a route into setting up small businesses.

Policy 10 – Jobs and businesses includes the following statements:

We will increase the number of jobs in Southwark and create an environment in which businesses can thrive. We will also try to ensure that local people and businesses benefit from opportunities which are generated from development.

We have acknowledged the importance of protecting small business units and encouraging provision of flexible space to help meet the needs of the local office market and independent retailers. This can include markets as a route into setting up small business, and further detail is included within the area action plans.

The policies and proposals set out in the *Core Strategy DPD* are supported by a number of research reports and strategies that have been undertaken by or on behalf of the council including the Strategic Review of Southwark's Markets and Street Trading completed in December 2008.

There is also more detailed reference to markets in other LDF documents set out below:

Canada Water Area Action Plan

The Canada Water Area Action Plan is at the Preferred Options stage of preparation, and specifically includes a policy on Markets:

Markets

We will support the provision of new markets in the action area, possibly at the new plaza outside Canada Water tube station, or on Albion Street.

We are doing this because

Markets can help enliven town centres, reinforce the identity of an area and help provide a more varied shopping experience. They can also have other benefits, such as giving more people access to fresh fruit and vegetables and creating a route into setting up small businesses. A market could help bring life to the plaza which is due to be created outside the new library. A market, possibly with a Scandinavian theme could also help strengthen the vitality of shops on Albion Street. Markets are part of the overall retail economy of the area and we will consider how they work with other forms of retail to enhance the economy of the area rather than compete with it or detract from it. We aim to support market developments that demonstrate how they meet the needs of the current and future population of the area and also attract people to it.

As part of the AAP, we will need to set out how this can be achieved, through an implementation plan.

Peckham and Nunhead Area Action Plan

The preparation of this plan will be at the Preferred Options stage in early 2010. The Issues and Options consultation document (consultation from March to May 2009) which is the first stage of the preparation of the Area Action Plan described two options for addressing Markets in the area which involved either moving the street market to a new location to create a destination market or renewing the stalls in their current locations.

Grouping the street markets together in one destination would reduce the amount of crowding on the streets as well as provide an exciting new space for Peckham.

Around two thirds of the people responding to the consultation were supportive of moving the street markets to a new location and there was general support for some sort of improvements to the markets.

This Strategy will help inform the preferred approach to the street markets in Peckham. There needs to be more analysis of possible new locations for markets and possible investment in new stalls as well as any changes to management arrangements.

In 2009 the Council published a *retail capacity study* which considered:

- The vitality and viability of Southwark's existing town centres

- The extent to which Southwark centres are fulfilling their role in meeting the retailing needs of the borough
- The need for further retail development during the LDF period, and possible scenarios for meeting any identified need for additional retail floor space

Among other things the study concluded that:

- National trends have seen shoppers moving to larger centres and Southwark should continue to improve the retail offer in its larger centres.
- The credit crunch has massive potential impacts meaning people will be shopping around to find the best possible value
- There is scope for improvement in both convenience and comparison shopping.

The Markets and Street Trading Strategy is set within the context of the wider retail offer and the findings of the retail capacity study. Improving our markets will contribute to improving our town centres, there is an opportunity for markets in that they can offer access to good value but good quality goods and markets can contribute to the identified gap in both convenience and comparison shopping.

The council has a key role in ensuring that business support schemes meet the specific needs of local businesses and local markets through effective partnership with the LDA and Business Link in London. The council recognises that markets can help achieve wider policy goals. They provide access to good quality affordable food contributing to the health agenda. Markets are also fertile environments for new business start ups and to the development of business skills. Markets have fewer barriers to entering employment and business than many other forms of enterprise and can be particularly significant for new communities. Other upcoming guidance will also be considered including: the Draft PPS 4 – Planning for Prosperous Communities states that local planning authorities should proactively plan for consumer choice and promote a competitive town centre environment by:

- Supporting the diversification of uses
- Planning for a strong retail mix
- Recognising that smaller shops can significantly enhance a town centre
- Retaining and enhancing existing markets and reintroducing or creating new ones
- Planning for a range of tourism, leisure and cultural activities
- Taking measures to conserve and enhance the established character and diversity of their town centres

Legal Framework

The market and street trading operation of the majority of London Boroughs, including Southwark Council is governed by the provisions of the London Local Authorities Acts 1990 (as amended). The focus of the London legislation is street trading, which does not fall within the definition of a market that gives rise to market rights.

Markets arising from franchise (e.g. charter markets) or statute are afforded certain rights in law, including the right and power to control the establishment of 'rival' markets within a given distance of the franchise or statute market (6.66 miles). Whilst the London Local Authorities Act 1990 gives some restricted control over markets close to a public highway, it does not afford the same level of protection. There are many reasons why market rights are important. The ability to control other market events and the ability to use market rights enables many local authorities outside London to organise markets on a more structured basis. The Strategy aims to move towards organising markets in Southwark in a more structured way.

The street trading legislation is already well known and is akin to the provisions contained in Part III and Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982 which apply to the rest of England and Wales.

London Boroughs can operate markets on the same basis as local authorities throughout England and Wales. In addition to the various powers available under charter, letters patent, prescription, custom and practice and local legislation it is possible to utilise the provisions of Part III of the Food Act 1984 which provide, inter alia, the following:

Section 50 – The ability to establish or acquire a market

Section 52 - Appointment of market days and hours

Section 53 - Charges

Section 61 - Interpretation which provides that a local authority includes a London Borough.

Many of the concerns about the operation of street trading provisions can be avoided by operating under the 1984 Act.

Currently street trading is limited in terms of what can be charged by allowing only “as may be sufficient in the aggregate to cover in whole or in part the reasonable administrative or other costs in connection with their functions under this Part of the Act. The 1984 legislation (section 53) provides that “a market authority may demand in respect of the market such charges as they may from time to time determine”. This is not a totally unfettered discretion but it can be used to apply commercial considerations to a market activity not currently available under the existing legislative framework.

It will be necessary to consider such proposals in detail. The street trading legislation, for example, gives the London Boroughs power to utilise a highway for street trading activity. If that legislation did not exist then the street trading would constitute an obstruction of the highway and be subject to enforcement action. However, there are ways in which highways can be closed to enable markets to be operated.

There are many reasons why market rights are still important. The ability to control other market events has always been near the top of the list and while case law in respect of so called rival markets has been a little “thin on the ground” in recent years the ability to use market rights enables many local authorities to organise markets on a structured basis. Dealing with charges in more commercial and flexible ways is a particular advantage arising from the use of the 1984 Act.

The street trading legislation in London provides a framework for determining applications. There is no reason why a London Borough cannot develop additional policies in respect of street trading to deal with matters such as quality provided that any policies do not conflict with the legislation. The same position applies equally in respect of markets.

Part 2: Markets and Southwark – The Current State of Play

2.0 Southwark’s People

Southwark is a dynamic and diverse borough. The population has been growing at a faster rate than the national average, and according to ONS reached 274,700 in 2007 with 139,600 males and 134,800 females. This represents the 7th largest population in London. All the evidence indicates that as with other parts of London, Southwark’s population will continue to grow so that by 2016 it could be between 286,000 and 301,000. That means anything from another 14,000 to 20,000 households than in 2001. This growth will be mainly of working age people, both single adults and families with children. By 2031 the population could be as high as 380,000. The population of Southwark is projected to continue to grow by 2031 to between 338,600 (ONS 2006-based projections) and 380,000 (GLA PLP High) people depending on how it is calculated.

Southwark is the 10th smallest local authority in London (2,885 hectares) but the 9th most densely populated with just over 95 persons per hectare compared with a London average of 48 persons per hectare.

At the same time as it is growing the population is getting younger, with just over 60,000 children and young people. About 36,000 people are aged over 60. We have 106,000 separate households, with more cohabiting and lone parent households than the London average.

The largest age group is between 25 and 44 which accounts for nearly 42% of the population. The percentage of under 15s (17%) is slightly less than the London average of 18.1%. And the proportion of over 65s (9.2%) is considerably less than London average of 11.7% according to the ONS 2007 mid-year estimates. According to the 2001 Census, the percentage of one person households is 28% which is the 7th highest in London. 60% of Southwark residents are single compared to the London average of 53.1% and 44.3% nationally.

We estimate that in Southwark those who identify as lesbian, gay, bisexual or transgender are greater than the national estimate of 6%. Around 38,000 people in the 2001 census described themselves as having a disability or life limiting illness.

Southwark is a very ethnically diverse borough with the White British ethnic group only accounting for 52.6% of the residents according to the 2006 ONS ethnic group estimates. The next largest groups are the Black African group (12.7%), the Other White group (9.5%) and the Black Caribbean group (6.6%). Other significant groups include the Indian (2.9%), Chinese (2.7%) and White Irish (2.5%) groups. Other sources such as those attending Citizenship Ceremonies in Southwark and National Insurance Registration indicate established and growing groups such as Polish, French, Nigerian and Sierra Leonean.

In terms of faith, the Christian community comprises 66% of the borough's residents. The Muslim community forms the second largest faith community, making up 7%. Just over 28% said they were of no faith and other faiths include Baha'i, Hinduism, Judaism, Rastafarian and Sikhism.

Southwark 2016 emphasises that thousands of new jobs have been created. Whole areas of the borough have been transformed through comprehensive regeneration programmes. Our young people are better educated than ever before and people are living longer. In addition, crime has fallen in recent years and the borough is a cleaner, more pleasant place to live.

All this is reflected in what people tell us. Three quarters of our population say that they enjoy living in Southwark and nearly nine in ten believe that people from different backgrounds get on well together.

However, there is a need to do more to enable many of the borough's less well-off residents to reach their potential and lead full and independent lives. This means improving vocational skills, giving people the information and services they need to adopt healthier lifestyles, and doing more to reduce crime and anti-social behaviour. It also means helping people to stay in the borough by providing more affordable housing.

Of Southwark residents 73.4% are economically active compared with a London and national average of 75.7% and 78.8% respectively according to the ONS annual population survey (July 2007–June 2008). Unemployment in Southwark was at 8.1% which is higher than the London average of 6.3% and the national average of 5.2% with a higher than average proportion of economically inactive residents. JSA claimants in Southwark (4.2%) in February 2009 were also higher than the London and national averages of 3.8%. In August 2008 15.8% of Southwark residents were key benefits claimants compared to a London average of 14.0%. Gross weekly pay (earning by residence in 2008) in Southwark is £577.3 compared with a London average of £580.80 but higher than the national average of £479.3

The key message from the Southwark 2016 consultation is that Southwark is its people – the ingredient that makes it a great place to be, and the biggest asset for the borough's future wellbeing. The many cultures and faiths, different histories, the global connections, whether families have been here for generations or are recently arrived, whether people have their home here, or come in because of business or are visiting, everyone makes a contribution to what Southwark is and will be in the future.

This desire to celebrate the strengths of Southwark's people, and acknowledge everyone's achievements is an important message. At the same time, people recognise that there is still some way to go before everyone can enjoy a standard of living that is close to the national average. So the major challenge remains, of reducing the inequality gap experienced by many of our citizens, and ensuring that discrimination, and economic and social exclusion are replaced by opportunities for all.

As people improve their lives, some will move out, and some new arrivals will need support. The borough needs to be better adapted to continuing high population turnover, while at the same time looking for ways to encourage the successful to remain.

Southwark has a much higher than average number of households with no cars or vans (Census 2001) 51.93% compared to London 37.49% and nationally 26.84%. The workplace population for those aged 16 to 74 in employment in Southwark according to the 2001 Census was nearly 142,000. The daytime population aged 16 to 74 for Southwark was over 217,500.

Southwark 2016 sets out six key priorities to continue the improvement in the lives and prospects of individuals. These priorities are important for the whole community – our children and young people, our working-age population, our older citizens. They include people with and without disabilities. They hold true across our diverse community of cultures, faiths, and ethnic origins, and our community who are lesbian, gay, bisexual or transgender. In differing degrees, they are relevant for our businesses and visitors.

Southwark 2016 recognises the need to deliver coherent approaches that relate to people's age and circumstances. The Southwark 2016 priorities link directly to the Young Southwark Children and Young People's Plan, and the new Older People's Strategy.

Income inequality underpins many of the other issues that affect people's life chances. Southwark 2016 aims to create joined-up approaches to the needs of people of working age, particularly those who do not enjoy economic prosperity. Unless we can significantly increase the number of local people who are able to earn a living wage our community will continue to bear the impact of poverty with all that this implies. Therefore, one of the big ambitions is a concerted drive to enhance people's skills and access to employment.

Southwark 2016 highlights that in many respects, Southwark works as a borough. It is accessible for jobs in the City and central London. More Southwark people are in jobs now than 10 years ago. There are many vibrant small businesses. But we still have high rates of unemployment and worklessness, a high dependency on benefits, and a range of small businesses that teeter on the margin of viability.

Our task is to strengthen the pathways to prosperity for all our citizens. This priority commits us to a concerted drive to enhance people's skills and access to employment, as well as to ensure that those who rely on state benefit receive all they are entitled to.

Although people are living longer there remain challenges to continue to address the health inequalities between men and women and between different ethnic and socio-economic groups. The health of people in the more prosperous parts of the borough is often significantly better. For the next ten years, Southwark 2016 aims to narrow the gap in life expectancy between different groups, and support people to live healthier lives. Our health improvement focus is on prevention and encouraging people to adopt healthier lifestyles, alongside tackling the underlying causes of ill health.

But for many people, inequality in their life chances remains acute. Educational achievement at Key Stage 2 is significantly below the national target. By the end of compulsory schooling, the GCSE achievements of both white British and African-Caribbean boys are well below the Southwark and national averages. We have a 10% gap in the numbers of people of working age (16-74) in Southwark who are in employment compared to the national average. In that age group, 65% have no or first level NVQ qualifications, rising to over 80% for people of Bangladeshi and Black Caribbean origin.

Male life expectancy is well below the national average, although the gap is starting to close. Youth involvement as both victims and perpetrators of crime remains worryingly high, and although falling, violent crime remains a concern. 39% of local authority homes and 40% of private rented properties do not yet meet the decent homes standard

Southwark is usually described as a deprived borough. Like many inner city areas the statistics show we have our share of deprivation and inequality. But for many who either live or work here that is only part of the picture. The programme of social and physical regeneration over the last ten years has contributed to people feeling more confident about Southwark as a place to live, visit or do business in and more optimistic for the future. Nevertheless, many challenges remain. Southwark's population ranges from those who enjoy significant affluence to those in severe poverty. Under the 2007 Index of Deprivation Southwark is in the top 10% of most deprived boroughs, ranked 19th out of 354 local authorities in England in terms of average deprivation (where 1 is most deprived). There has been much progress in tackling this but the concentration of deprivation is in the centre and north of the borough; with pockets in the South.

As outlined above, Southwark shows significant demographic variation between poverty and wealth, and has a substantial black and ethnic minority population. Some work has been carried out on mapping the demographic profile of the borough, using a standard technique, known as 'Mosaic Analysis'. A map shows the distribution of the six main demographic groupings within the borough. This analysis will be used to support the case for new markets and improvements to existing ones.

2.1 Street Trading and Markets in Southwark

Overall Southwark's council controlled markets are in decline. The number of occupied pitches in Council controlled markets has dropped considerably, by over 59% over the last 10 years. The service has been operating at a loss with falling income but relatively static levels of expenditure.

A market is legally defined as:

'A concourse of buyers and sellers to dispose of commodities.' It is generally accepted that to be classed as a market there must be 5 or more sellers. (Pease and Chitty- Law of Market and Fairs)

In accordance with this definition the Council operate from 4 market sites and offers pitches in various other street locations.

The 4 markets are:

- East Street 120-180 stall market (Tues – Sun)
- North Cross Road 20-25 stalls (Sat). A small number on Friday (5-8)
- Southwark Park Road (The Blue) 8-10 stalls
- Bermondsey Antiques Market 40 stalls (Fri)

Other venues have up to 4 traders trading mostly from street corners. Some of these venues were once vibrant but are now competing with the neighbouring shops and collectively the stall offer rarely differs. Such venues are:

- Various side streets in Peckham
- Tower Bridge Road
- Westmoreland Road
- London Bridge

However there is significant variation in the challenges and opportunities facing each market:

East Street market has 242 available pitches with approximately 120-180 are occupied. The market is a mixed street market selling a low cost range of fresh produce, clothing, footwear, jewellery, household goods and CDs/DVDs. The market is open Tuesday to Sunday and is located off the Walworth Rd. The number of traders has fallen but the market generates significant income, with Saturday the best day.

North Cross Rd market has 20-25 stalls, all of which are occupied. This well-established market offers good quality food and diverse goods and is particularly popular on Saturdays. It fits the demographic profile of Dulwich well and has potential to develop. It is open Monday to Saturday.

Southwark Park Rd (The Blue) has 8 to 10 occupied stalls which is no more than 50% occupancy. It is located in Bermondsey and is open Monday to Saturday. The offer is mostly good quality food at a good price. The market is struggling to attract new traders and is not meeting the needs of the local demographic base. It has potential to make better use of the area as an events space.

Bermondsey Antiques market has 40 to 50 stalls with another 120 pitches available. The market is in decline with large numbers of empty stalls, and needs a significant rebrand and relaunch if it is to remain a significant tourist attraction. The redeveloped square is high quality but underused. It is open on Fridays.

Other council controlled markets in the borough include:

- Tower Bridge Rd
- Westmoreland Rd
- London Bridge

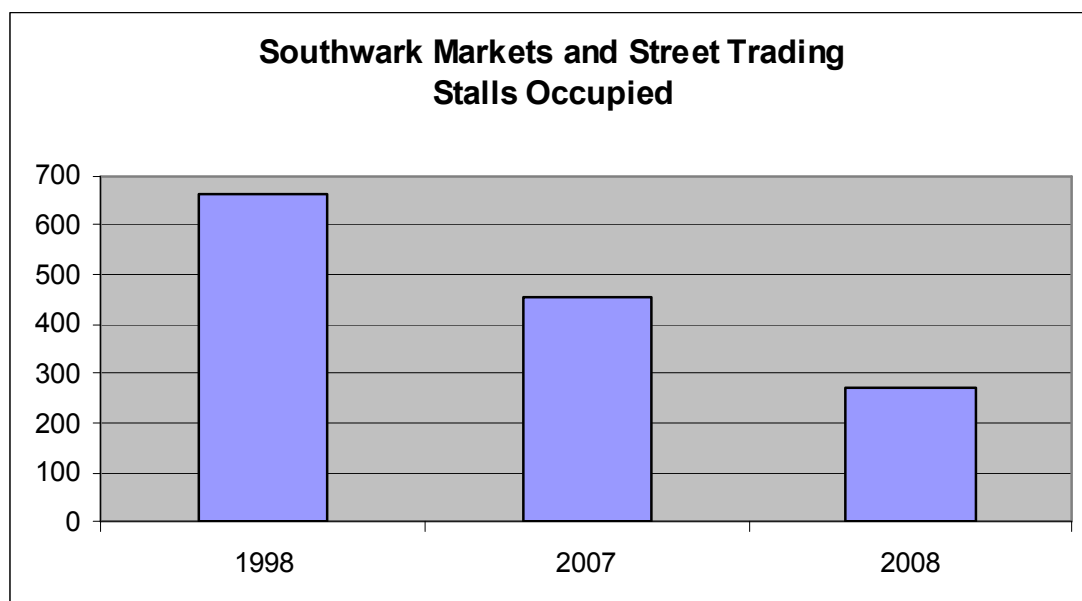
A list of the main council controlled markets and their opening times are set out in the following table.

Market	Commodity	No of pitches	Days	Times
East Street	General	244	Tues-Sun	8am-5pm
Choumert Road	General	45	Mon-Sat	8am-5pm
Southwark Park Road	General	48	Mon-Sat	8am-5pm
New Caledonian	Antiques	250	Fri Only	6am-5pm
North Cross Road	Arts & Crafts/organic food	20	Mon-Sat	8am-5pm
Tower Bridger Road	General	30	Mon-Sat	8am-5pm
Westmoreland Road	General	66	Tues-Sat	8am-5pm
Westmoreland Road	2 nd hand	66	Sun only	8am-5pm
Peckham Square	Arts, Crafts & Organic Food	20	Sun only	8am-2pm
Total		789		

In addition to these there were a number of sites throughout the borough with between one and four pitches.

Ten years ago there were over 26 venues with some 800 available pitches. The locations listed above were once thriving areas that were popular with shoppers and tourists and most had lengthy casual trader queues.

Analysis of the data on trader numbers shows that, the number of occupied pitches has fallen by 59% over the last 10 years. More significant is the fall in trading pitches by over 40% in the 2007-2008 alone. It is clear that more and more traders are leaving Southwark markets.



There are a number of reasons why Southwark's markets are in decline. Many markets nationally have been in decline for over a decade. Reasons for this include:

- Shoppers have more choice
- Shoppers have more mobility
- The advent of supermarkets
- The introduction of out of town shopping
- Sunday trading
- Increasing sales made online
- Retailers providing good products at very cheap prices
- Lack of investment

- Lack of proactive strategic and operational management

It is against this national background of decline that the council is working to improve our street markets.

There are of course some markets that have overcome these issues and are still very popular e.g. Borough Market. It would appear that while the number of street traders has declined sharply the total number of traders has not. It would seem to be the case that where the opportunities and the environment are right there remains a viable market trading sector.

In relation to Southwark, there are also a number of key operational factors contributing to the decline of the market and street trading service. These include:

- Stall allocation procedure
- Quality and appearance of stalls
- Lack of marketing and promotion
- Outdated systems and procedures

The stall allocation policy has remained the same for many years. This policy was introduced to control the allocation process while protecting long established traders who had been loyal to the market. This policy would have been effective when the markets were full and the markets service was turning traders away because it couldn't accommodate them. However, this policy now appears to be very restrictive and works against the overall benefit of the markets.

For markets to thrive new traders selling new goods is a fundamental requisite. Equally, markets should provide an excellent trading opportunity for the new entrepreneur. The continual presence of new traders ensures the market remains interesting and dynamic thus appealing to shoppers. The current allocation policy appears to hinder this.

An example of the problems with the policy is illustrated below:

A new trader wishing to stand on East Street on a Saturday selling olives will face the following issues:

Cost	£
Registration fee	35.00
SAST Membership (Insurance)	50.00
Rent for the day	27.00
Stall hire	7.00
Total	119.00

Based on 2009/10 charges
(£85 of this is a one-off charge)

In addition to stock, there will be other daily costs that the trader will incur such as transport, fuel costs and parking.

Based on current policy, since they want to sell a relatively new line (olives) and providing they pay the £119 they will be allowed to trade. They will probably, however be allocated one of the poorest trading locations on the market.

This scenario is not conducive to attracting and retaining new traders.

Furthermore, based on 2009/10 fees and charges, if they continue to trade successfully and decide to extend their trading days to a full week as a casual trader they would have to pay £154 per week. A permanent trader trading for the same number of days would pay £234 per month. Therefore the casual has to pay £382 more than the permanent trader over a 4 week period.

Assuming that the casual trader can sustain their business there is no incentive for the council to make the casual a permanent trader, but this delay only heightens the chance of losing the trader.

The image of any market is paramount. The environment, customer interface and quality of goods are vital ingredients to a successful market. With regards to the environment, the condition of the stall is important. The markets sites of East Street and Bermondsey Market, the largest sites have a large number of stalls that are hired out. These stalls are in poor condition and present a detrimental image for the market.

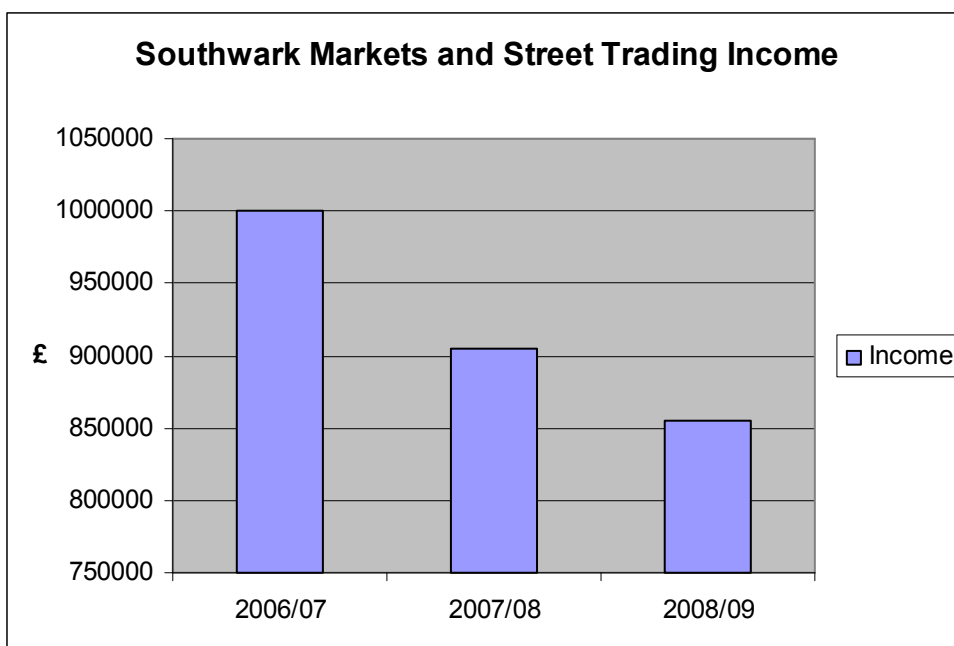
In both cases the stalls are let out to the traders by a private individual who in turn hires storage space from the council.

The Markets in Southwark have a great sense of history, they offer numerous business opportunities but they are not externally promoted. They are competing with high street retailers and private markets yet their profile is very low, with no marketing plan or budget.

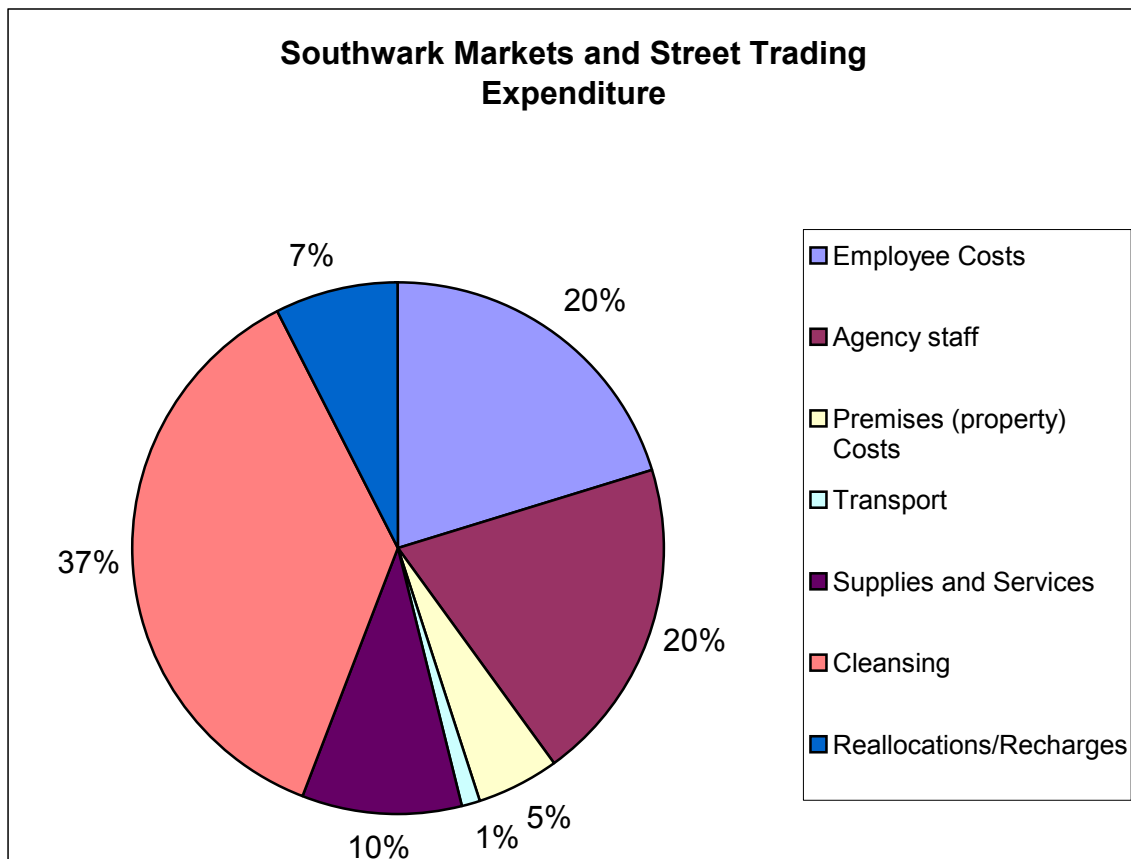
As with the allocation procedure discussed above, no significant review of or changes to systems and procedures appears to have taken place for many years. The management model in place is one of regulation, with little scope for involvement of managers in the commercial and social aspects of the markets. Customer demands and shopping habits have changed but the market model has not.

The Street Trading Account operates as a ring-fenced account with a turnover of just over £1million per annum. This should mean that all expenditure on the street trading service is met from fees and charges paid by the traders. There is, however, a significant deficit on the account which the service must attempt to reduce over time.

The Markets budget is coming under increasing pressure as stall occupancy rates are falling, which directly impacts upon income levels.



While income levels fall the expenditure remains pretty static. A breakdown of the expenditure can be seen as follows:



The largest costs to the service were staffing (now management fees), and cleansing.

These need to be managed closely on a daily basis and managed on a demand basis. With income levels reducing the expenditure should be reduced accordingly. At the same time increases in fees and charges have not increased sufficiently to meet the expenditure and this places more pressure on the trading deficit.

A further budgetary issue is that the markets finances are not separated to reflect the performance of each individual market. As a result it is difficult to identify and scale the poor performing markets and the costs assigned to each trading venue. Until this is done it is very difficult to make firm commercial decisions.

The Strategic Review of Markets suggested that it is suspected that the smaller venues are not currently cost effective and that East Street Market underpins the trading account.

Access to capital for investment in markets is difficult. There are a number of reasons for this. External funding tends to be short lived, or linked to very tight deadlines for bids. Equally, the Big Lottery launched a £50M Local Food Fund in 2008, but with deadlines for major bids, which have now passed.

Whilst funding arising from, for example, the Working Neighbourhood Fund, Section 106 of the Town and Country Planning Act 1990 are available for market redevelopment/improvement bids, they have to compete with all other services bidding for limited resources, and the strategic case needs to be made to justify the investment. However it should be noted that 2010/11 is the last year of WNF and is therefore not a sustainable funding stream to identify for investment in street markets and other sources of funding will need to be identified.

The Strategic review of Markets in Southwark also drew some conclusions on individual markets including:

East Street Market

This market still has critical mass and generates significant income, although the number of traders has fallen in recent years. The offer is narrow and of mixed quality, predominantly clothing, footwear, jewellery, household goods, CDs/DVDs and food – particularly fruit and vegetables. Saturday appears to be the best trading day.

The appearance of the market is poor – the stalls, sheeting and product displays do not reflect modern market practises. There was also considerable waste generated by the markets at the time of the visits.

Some signage was evident but this was of low impact. Links and relationships with the East Street Retailers appear poor. The market is struggling to attract new good quality traders.

Southwark Park Road Market (The Blue)

The market was difficult to find, with no signage apparent on the route taken to the market. The number of traders is low and there is a real danger of the market losing its critical mass. The offer is mostly food, and the price and quality appears good. There is also a pet stall and florist trading on the market. The surrounding retail offer is generally poor. The market is struggling to attract new traders and is not meeting the needs of the local demographic base. There is an opportunity to make better use of the area as an events space.

Bermondsey

Signage directing pedestrians to the market is limited, and at the time of the visit the western access to the market was restricted due to surfacing improvement works. The stalls are of poor quality and the significant number of empty stalls creates an impression of decline. Footfall was low, and the market appears in need of a significant rebranding and relaunch if it is to remain a significant tourist attraction. The redeveloped square is of high quality but underused – with the market operating one day per week.

North Cross Road

This is a well-established and popular market on a Saturday although it struggles for numbers the rest of the week. The trader offer is good quality that fits the demographic profile in Dulwich. It is a good street market that has the potential to develop.

Peckham

Many of the sites have only 3 or 4 stalls at the location. At Peckham, for example, what was once a thriving area with a number of street trading sites now houses one or two traders on the corner of each street. The shops, however, now trade like a market stall and have taken away the frontage to give an open feel while the fixtures and fittings have been arranged so as to give a market stall appearance. The variety of goods sold on Peckham's Rye Lane is limited. Consultation carried out to inform the Area Action Plan indicated that around two thirds of the people responding to the consultation were supportive of moving the street markets to a new location and there was general support for some sort of improvements to the markets.

London Bridge

There are four very low quality street stalls on the corner of Tooley Street. These stalls need to be a higher quality both in terms of visual appearance and goods on offer. There needs to be an enforcement regime especially with the ice cream sellers operating there.

Consultation

Consultation was undertaken with traders and other key stakeholders as part of the Review. This used a range of techniques including workshops, questionnaires, e-mails and informal discussions. This section summarises the results.

- The markets in Southwark have declined because they are uncared for
- The traders don't sell what the public want
- The stalls are very similar with little variation
- There is nothing attractive about the markets.

- There is no strategic plan
- There is no promotion of the markets service
- The image of the markets is not good.
- Develop/introduce/promote a trader starter pack with information, contacts and support mechanisms. There is a clear barrier for potential new traders.
- Introduce summer night-time markets.

Southwark Councillors

A meeting with the Leader plus other interested Councillors took place. The Councillors were keen to see that the markets prospered and could see the key role that markets can play in their borough. They were mindful of the trading service deficit but were keen to explore all options available to them to improve the service.

Community Engagement Partners

This was run as a fully participative workshop. A summary of the views expressed is as follows:

- 'The Blue' could be used as an events space
- Southwark should support and promote healthy eating
- The market service (or individual markets) should have a single point of contact.
- Establish a 'friends of the market' scheme
- Improve the image of the stalls
- Undertake a non-user survey
- Have a market champion that co-ordinates information of all other services
- Develop/introduce/promote a trader starter pack with information, contacts and support mechanisms
- Better signage of markets
- Promote Southwark markets
- Night markets – in summer time

This group also considered potential new market venues, and identified the following:

- Peckham – Potential Sunday Car Boot sale at Wooddene (Queens Road). Large hard surfaced piece of land following demolition of estate. Near main road and well lit. The surpluses generated could be used to offset the trading account deficit.
- Southwark St. – Tube station to Tate Modern
- Rotherhithe
- Jamaica road – Bermondsey
- Arches that are derelict
- Elephant and Castle
- Peckham Square
- London Bridge – green area.

Economic Development Team

A number of issues emerged:

- Business advice is available to existing and start-up market businesses.
- There appears to be little demand for it. Key reasons for new businesses not wanting to start trading on markets include perceptions of crime, lack of incentives, an environment that does not give traders sufficient individuality and control of their trading environment, and parking restrictions.
- One respondent stated: 'Although your questions are very relevant to the accessibility and convenience of market trading as an incubation stage for local business development the aspirational dynamics of support and encouragement tends to be miles away from the market management style and economic imperatives. Timescales and interests are often far apart when working with market traders and owners.'
- We need to ask traders why and explore whether we can adjust delivery styles to suit market traders, e.g. locating in the market place on certain days of the week. EDT funded business support providers would be willing to assist us with this advice.

Due to the time constraints of the service review, consultation with key business support agencies through the Southwark Enterprise Partnership was limited. A consultation workshop was set up on the same day that local providers and the Economic Development team were exhibiting at a Business Start-up how and subsequently had to be cancelled. Instead a questionnaire was issued with a three day response deadline which led to a poor response rate.

Further discussions are held with business support providers, particularly local agencies who have worked with market traders in the borough such as Elephant Enterprises and Business Extra in order to reality check and refine the actions/opportunities set out under the strategic theme 'Thriving and Viable' markets.

Major Projects Team.

The project managers may get approached directly or indirectly by the developer to incorporate a market into the scheme. Whilst in principle this is acceptable, consideration needs to be given as to whether Southwark should manage (or have the capacity to do so) these markets or indeed what effect, if any, another market would have on the Council's existing ones.

Market Traders

This consultation included sessions with traders and with external markets and other partners (Borough Market, Rye Lane Indoor Market, East Dulwich Indoor Market, Team London Bridge, Better Bankside, Urban Space management, London Farmers Markets). General comments included:

- East Street market still works and is the only market that makes a standalone surplus.
- The road surface on East Street needs improving
- The desire for good communication with the Council
- The opportunity for the traders to work in partnership with the council.
- The desire to open East Street on a Sunday beyond 14.00
- Traders not meeting the local demand
- The relationship between the market and the shops on East Street

The general view is that the markets currently do not meet the local demand. Furthermore Southwark has changed over the last 10 years but unfortunately the markets service has not looked to capitalise on the changes.

There are however opportunities to create new markets and the rise in popularity of specialist markets, farmers markets, and continental and arts and crafts markets demonstrates this. Where new markets are proposed we need to consider the impact on existing markets and their development must sit within the strategic approach that this strategy aims to achieve.

Part 3: Forward to 2013 – Actions and Opportunities

3.1 Implementing and reviewing the Strategy

Meeting the vision that we have outlined for our markets will not be easy. It will require significant effort across the whole council. However we must ensure the decline that we have seen in some of our markets is reversed if we are to provide residents and consumers with vibrant, attractive markets that provide good quality, affordable fresh food and other goods and that fully contribute to the council's objectives.

The value that Southwark will get of revitalising and sustaining its markets, providing local jobs for local people and meeting environmentally sustainable objectives is the driver for this effort. This is particularly significant in a recession when markets and street trading offer employment, develop entrepreneurialism and provide access to high quality affordable goods.

Many of the actions identified in this Strategy can be implemented at minimal cost to the Council. Others will require significant investment. Where possible we will maximise the resources available by ensuring that actions from this Strategy are integrated within other existing initiatives.

We will also investigate how external sources of financial support can be used such as Section 106 agreements, resources available through the London Development Agency and other sources of external funding.

This will not be easy, particularly in the current context of economic recession and ever tighter restrictions on local government finance however in order for this vision to be fully realised funding will need to be secured and a commitment made to delivering the key actions through the Council and its key strategic partners.

The Strategy is not set in stone. It will be monitored and reviewed to ensure that we are delivering and we are responding to the changes in the environment around us that impact on markets. We will put in place a mechanism to oversee and review the Strategy and drive the actions it sets out.

3.2 Key themes

The following section of the strategy outlines the key areas for action that the analysis above suggests.

Each of these themes has a series of issues and actions/opportunities that follow. The key themes are:

Markets Playing a Full Part in Regeneration

Actions to ensure that markets play a part in the regeneration of the borough.

Thriving & Viable Markets

Maximising the economic benefit for local business and the borough.

Improving the Public Realm

Identifies ways in which the public realm in and around the borough's street markets and street trading sites can be improved for businesses, shoppers and residents.

Improving the branding and promotion of Southwark's Markets

Develop a marketing and communication strategy to promote street markets so that they are well used and their value is widely recognised.

Greening Southwark's Markets

Promote street trading contribution to environmental sustainability. Markets have much to offer in terms of initiatives aimed at sustainability and can leave a small carbon footprint. There is much good practice but more we can do to improve sustainability and build on this good practice.

Markets as spaces for social interaction

Markets have an important role in relation to social interaction and community cohesion. These actions consider how to develop the traditional role markets have had in providing places for social interaction.

Modernising the management of our Markets

How we plan to modernise how our markets are managed, reviewing policies, procedures and working practices to support thriving markets and encourage entrepreneurship.

Action for Individual markets

Picks up the actions identified in the Strategic Review of Markets for individual markets in the borough and identifies where there are new opportunities.

3.3 Markets Playing a Full Part in Regeneration

Markets play a significant role in regeneration as part of the retail economy of the borough. To maximise this contribution we need to take a more coordinated approach to both new developments and revitalising existing markets as part of regeneration schemes.

To succeed we must ensure the role of markets in regenerating the Borough is recognised and incorporated into relevant regeneration and planning policies and action plans. We will recognise the importance of local markets and how they impact on the local area taking care when regenerating markets to ensure that the correct balance is maintained.

Markets are part of the overall retail economy of the borough and we will consider how they work with other forms of retail to enhance the economy of the borough. We aim to seek new opportunities for markets as part of regeneration schemes.

In the past there was a clear lack of engagement of the market and street trading operation in the regeneration and planning processes. This, linked with the lack of market rights arising from the legislative framework and the absence of a markets strategy, means that there has been and continues to be an uncoordinated expansion of private markets in the borough.

There has also been a lack of joined-up working at both strategic and operational level. Their role and contribution to helping deliver core strategic objectives has therefore been limited, and in their current state their operational ability to contribute is equally limited.

Actions and Opportunities:

- Ensure that street markets are included as a retail destination in all planning policies strategies and plans.
- Ensure that markets contribution to delivering core strategic objectives is recognised and promoted and that where relevant markets and their potential contribution is taken account of in the policies and initiatives of the Council and its partners.
- Investigate the feasibility of a consultation zone around existing markets so that for any retail planning applications above 1,000 sq m or for private markets, markets are consulted.
- Seek new opportunities to establish or revitalise markets as part of regeneration schemes.
- Where new markets are being considered as part of regeneration schemes ensure that there is an assessment of the impact of these on existing markets
- Where new markets are being considered use MOSAIC demographic analysis as part of the business case.
- The business case should also take into account the nature and commercial performance of the retail sector of the relevant town centre in which the new market is to be located.
- Consider the appropriate management arrangements for any new markets including the need to manage them strategically across the borough, both local authority and privately controlled.
- Investigate the feasibility of producing a specific Supplementary Planning Document in relation to markets, which in addition to building on the limited references to markets contained in Planning Policy Statement 6, can also consider the role of planning in helping control rival markets and car-boot sales via the Town and Country (General Permitted Development) Order 1995. This would be in addition to Area Action Plans already highlighted in this document.
- Opportunities for new markets are considered in the theme below on action for individual markets.

3.4 Thriving & Viable Markets

If the council is to address the decline that Southwark has seen in traditional retail markets we must work to improve the viability of markets by linking traders in to the business support mechanisms that are available for small businesses and encouraging new business start-ups. The council will also promote the variety and diversity of job opportunities including the potential for providing local employment. An essential part of the success of our markets is ensuring that they meet the needs of users and residents.

The Council recognises that street traders are small business operators and we should ensure that they are supported in their development wherever possible. We will encourage new business start-ups to consider market trading as a first business step and support them through this process. We also aim to ensure there are less barriers overall to people trading in markets and seek to work with BME business support organisations.

We recognise that the number and type of stalls in any market needs to complement not compete with the existing retail mix of an area. We will also ensure that there is some form of quality control of product and trader in place for new and existing stallholders.

Actions and Opportunities:

- Create incentives for new business start-ups for traders, including reduced pitch rates, cheaper insurance, business support packages, access to grant aid etc.
- Encourage quality control by traders – encouraging traders to develop business plans including quality, customer service and standards of presentation and display.
- Ensure traders have access to support for small business operators through start up grants and assistance with business planning, financial management, product development, presentation and marketing and to improve trader's skills and confidence as business people.
- Promote the diversity and variety of job opportunities at the market and the potential route towards entrepreneurship and self-employment.
- Work with partners to promote local employment opportunities in Markets.
- Work with local businesses to promote local procurement from our markets.
- Implement a programme of training for traders including business planning, customer service standards, food safety and environmental health, marketing and promotion.
- Review trading hours to ensure they meet the needs of customers and potential customers including working residents and consider remaining open into the evenings at least once a week, particularly in line with surrounding retailers. This will also consider the needs of surrounding residents.
- Undertake research to identify consumer's needs for:
 - type and quality of commodity required, including goods reflecting the community's demographic profile.
 - operating hours.
 - to understand why customers do or do not shop in Southwark markets.

In terms of attracting and supporting new traders, business start-ups do not currently see the council managed markets as an attractive option and this should be explored further.

From April 2010 all non-statutory publicly funded business support must comply with the Governments Business Support Simplification agenda. Any new business support schemes proposed by the SMST service will need to be designed and marketed within BSSP scope. The transition to BSSP and the impact for Southwark council and the overall business support offer for Southwark businesses is currently being considered by EDT through the Southwark Enterprise Partnership.

3.5 Improving the Public Realm

How the Council's markets look and feel is an important element in making them work as successful retail and leisure destinations. The Council will seek capital investment to upgrade the market infrastructure and the public realm in and around market areas. The current lack of access to capital investment to upgrade existing market areas has hindered their development and contributed to their decline. New stalls are a key element of these improvements the strategic review demonstrated that financially this was a viable option but equally important was the image this would create on the markets.

Actions and Opportunities:

- Secure funding to invest in new stalls and canopies for markets.
- Secure funding to upgrade lighting in market areas to ensure safety for traders and the public and to allow markets to take advantage of opportunities for late trading in the winter months.
- Secure funding to upgrade or install electricity supplies for trader use and for events.
- Secure funding for a programme of upgrading the public realm in market areas providing better surfaces and better street furniture for trading and for users.
- Identify creative lighting solutions to highlight entrances and enliven dead areas.
- Follow the Council's streetscene design guide by minimising clutter by for example using lamp columns to incorporate signage.
- Improve promotion as well as the look and feel by using lamp columns for hanging banners to promote special events and to highlight seasonal activities
- Ensure all new structures are vandal proof and easily maintained within existing resources.
- In designing markets and market improvements take account of the need for:
 - recognition that each market in Southwark has some unique characteristics and history and may require a different 'look';
 - Flexibility - to ensure stalls complement shop fronts in the market area and can change as circumstances change.
- Consider options for road closures, loading and unloading options and parking restrictions during market opening times to promote safe access of traders, neighbouring businesses and shoppers.
- Undertake works to improve accessibility for pedestrians in and around market areas where resources are available.
- Improve signage to markets from transport hubs

3.6 Improving the branding and promotion of Southwark's Markets

The Council aims to improve how markets and their benefits are promoted to key stakeholders and improve how markets are promoted to attract more users and more traders. There needs to be an effective communications and marketing strategy to promote Southwark's markets and other street trading sites. A successful outcome will mean active brand management to increase the brand value and image of markets and ensure they attract customers and traders to return. A poor image and lack of marketing offer little incentive for traders and customers to return. The communications plan should take account of all stakeholders, including traders, customers, the Council and the private sector. It should set out the style and frequency of communication and who will lead the process.

Actions and Opportunities:

- Customer research including Mosaic profiling to enable targeted marketing and promotion of markets.
- Develop and evaluate a proactive communication and marketing strategy that rebrands Southwark's markets:
 - Maximising use of the Southwark Council website or establishing a stand-alone website.
 - Holding events within the markets.
 - Issuing regular press releases.
 - Better designed leaflets promoting the shopper experience and trading opportunities.
 - More and improved local signage.
 - Consider establishing 'friends of the market' group(s).
 - Introduce a 'Market Trader of the Year' award.
 - Evaluating the effectiveness of marketing spend.
- Develop and update the street trading section on the Council website to more successfully promote Southwark's street markets and trading sites to residents, tourists and potential traders.
- Ensure markets are incorporated into London wide walking, transport, tourism and retail initiatives and promotion.
- Promote the positive environmentally sustainable role traditional markets have for example reducing or eliminating packaging, low food miles, access to locally sourced food and other products. by recognising:
- Promote the contribution of markets and the fresh food offer to Healthy Eating and the reduction of obesity and illness. Work with schools to link education on healthy eating with what is available at the local market.
- Actively promote opportunities to trade at Southwark's markets.

3.7 Greening Southwark's Markets

Markets have a major role to play in environmental sustainability through encouraging green travel, reducing waste, recycling, and eliminating packaging and local food. We will develop the role street markets have in promoting and engaging with policies on environmental sustainability and becoming sites of good practice.

Actions and Opportunities:

- Develop green travel plans for each market. These will promote sustainable transport options of accessing local shopping destinations by bike, foot or public transport as shopping locally allows shoppers to support local, national and international environmental initiatives.
- Work with the Sustainability team to promote recycling where possible across all street-trading areas. Ensure bins are available for recycling where needed.
- Continue to identify opportunities to reduce and reuse plastic bags, expand the production, promotion and distribution of cloth degradable bags that advertise and promote the markets.
- Actively promote and monitor a waste reduction and minimisation programme including packaging.
- Investigate a programme of composting within all areas of street trading.
- Pursue the physical greening of markets (e.g. trees, planting) where improvements are being made to the public realm.
- Encourage green businesses to trade at markets.
- Investigate the feasibility of local food markets or local food as part of the offer at general markets working with local suppliers and growers.

3.8 Markets as spaces for social interaction

Markets are more than just economic entities they have a role as spaces for social interaction and can contribute to community cohesion. Good markets are at the centre of the communities they serve. The council will develop street markets that reflect the diversity of Southwark and promote their role as spaces for social interaction and inclusion.

Actions and Opportunities:

- Develop markets that celebrate and meet the needs of Southwark's diverse ethnic mix.
- Develop community events at the markets.
- Create better spaces for social interaction in markets. Promote the role markets have in providing places to take a break including for older people, and parents with young children. Identify the type and locations for the installation of street furniture to create spaces for shoppers to linger and relax.
- Encourage street traders to sell fair trade products, including incentives. This would support the borough's fair-trade status and potentially increase the range of products that reflect the local ethnic mix.
- Research the profile of users and non-users of markets and target promotion at underrepresented groups.
- Encourage the use of charity or community pitches by community organisations.

3.9 Modernising Management of Our Markets

Southwark Council will modernise how our markets are managed, reviewing policies, procedures and working practices to support thriving markets and encourage entrepreneurship. To succeed the council needs to work closely with traders and will improve consultation and engagement with traders. Bringing in the expertise to transform and modernise the service. The Strategic review of the Service acknowledged that some excellent work was being done across the Council and that there are a great many opportunities to develop and expand the markets service so that it meets the challenges of the future.

Historically the management of markets has taken a regulatory/enforcement approach. This has meant the skills and experience required to successfully manage modern markets have not been applied. Through the Council's partners and other stakeholders, we will bring a more commercial approach focused on retail, marketing and customer focus. We will also promote the social value of markets.

There are clear and significant issues arising from the current regulatory/legislative framework that are having a deleterious effect on the markets.

The Strategic Review pointed out that the current allocation policy needs to be replaced to attract and retain new traders and new products. This in turn may encourage local people to trade and offer products that fit the requirements of the changing local demographics. Successful modern markets need a management system that is able to identify and respond to new trading opportunities. Equally it requires an understanding of the demands and aspirations of the customer. We will address this skills gap and ensure there are effective and modern systems and procedures in place for the effective management of a dynamic retail environment.

The Council believes that there are strong advantages to private sector involvement in the operation of markets in terms of bringing commercial and retail skills that are necessary to make markets succeed. This does not mean that there is no role for the council. The council will retain a key role in relation to its wider role in local economic development ensuring that markets play a full part in meeting the needs and aspirations of local communities and providing economic and social opportunities. Markets also play a role in relation to our role as place shapers, as part of regeneration schemes, providing local employment and integrated in the strategies of the council and its key strategic partners. The council needs the capacity to ensure markets meet this potential. The council is best placed to develop markets as part of developing the vitality and viability of our local economy and making sure that enterprise benefits local communities. This means moving beyond our traditional regulatory role to actively supporting the development and growth of markets for their contribution to the local economy and their wider benefits to our communities.

These and the other actions identified in the Strategy are intended to reduce the deficit on the Street Trading Account over time by increasing numbers of traders, costing by individual market that will allow us to assess the viability of individual sites, linking performance to trader numbers and income collection and exploiting new opportunities for trading across the borough.

Actions and Opportunities:

- Consultation on the adoption of the Food Act 1984 as the primary legislation governing Southwark's markets.
- Link the operational management contract by performance, transformation management, trader numbers and seeking capital investment
- Carry out costing by individual market as part of assessing the success of each location and assign costs to each market.
- Review and revise the stall allocation policy including the procedure for casual/permanent trader allocations and targeting potential traders that reflect the local community profile and helping markets to deliver what local people want.

- Use demographic analysis to support the business case for change or new markets, including exploring areas where new street trading sites could be located.
- Shift towards a proactive development approach from the current regulatory, enforcement approach.
- Develop the Street Trader application process so it does not put temporary traders at a disproportionate financial disadvantage to permanent traders.
- Identify the need, type and location of night-time street trading.
- Monitor and evaluate the number of new successful business start ups.
- Investigate and implement alternative payment methods for licence and other fees, for example, by direct debit, credit and debit cards, and telephone payments and develop an on-line application and renewal process.
- Wherever possible, consultation will take place with traders associations or groups before work commences and all works should be properly managed and coordinated to mitigate any negative impacts on markets.
- Investigate the introduction of a licensing regime for car boot sales and markets at events.
- Review the clashing policy so it is less prohibitive.
- Promote trading opportunities around the borough including targeting new traders in new communities.
- Market test the waste and cleaning contracts to ensure they meet changing needs and continue to deliver value for money and a high quality of service.

3.10 Action for individual markets

The Council will implement an action plan for individual market sites that improves each market within the framework set out in this strategy. We will identify new opportunities for establishing markets linked to the regeneration of the borough. New developments and change and improvement programmes will use the Mosaic demographic/lifestyle analysis to identify customer profiles and inform the type and quality of retail offer in each area to help build the business case for change and development.

Other council departments and Stakeholders will need to input into preparing the action plans, and they will be used to inform new policy and improvement programmes.

The implementation plan will look at the demographics, the existing provision of shopping offer, the history of the area etc and clearly identify why new markets would contribute positively to the regeneration of the area. These will be identified through the:

- Use of MOSAIC analysis to support the business case for these and any other new markets.
- The business case should also take into account the nature and commercial performance of the retail sector of the relevant town centre in which the new market is to be located.

Actions and Opportunities:

North Cross Road

- Extend the designation of the market to increase the numbers of traders.
- Secure funding to provide electricity for traders extending trading times in the winter months and improving public and trader safety.
- Investigate the feasibility of and secure funding for improvements to the public realm in the market area.
- Actively promote the market to residents and visitors.
- Investigate the feasibility of traffic restrictions during market trading hours.

East Street

- Secure investment to upgrade the stalls and lighting columns.
- Carry out refurbishment works to improve surfacing and road safety.
- Make improvements to the entrances to the Market at Walworth Road and towards the Aylesbury.
- Secure funding for continuing the public realm improvements in the area building on the Walworth Road improvements and the Council funded upgrade of the street lighting.
- Improve promotion of the market and its heritage.
- Establish new markets and a programme of events to complement and improve the offer at the lower end of the Market and in Nursery Row park including the possibility of exploiting the Latin American connection in the area linked to Carnaval del Pueblo.
- Review the opening hours of the market.
- Improve signage to the Market.
- Liaise with the Aylesbury Regeneration Team about the future development of East St. Market.

Bermondsey Antiques Market

- Relaunch and rebrand the Market now the building works on the site are drawing to a close.
- Secure funding to upgrade the stalls used at the market.
- Actively promote the market including in specialist antiques publications.
- Proactively recruit more specialist traders.
- Work with partners to consider other markets on the Square.
- Improve signage to the Market.

Peckham

- Consider new locations for markets.
- Investigate the feasibility of an African themed market in the area.
- Upgrade the public realm in and around the market area.
- Improve the Farmers Market on Peckham square.

In order for the draft AAP to promote the improvement of the market, set out possible locations for new markets in the area and promote other opportunities such as an African themed market, the Strategic implementation plan will provide further details on these possibilities. The Issue and Options consultation report has raised the possibility of new market locations behind the station and new furniture for the stalls.

The scope of what can be included in our implementation plan for the AAP needs to be discussed further.

Southwark Park Road (The Blue)

- Upgrade the stalls and canopies in use by the traders.
- Work with partners to improve the public realm, the market and the surrounding retail premises through the Council's Improving Local Retail Environments Programme and cleaner greener safer funding.
- Attract more traders to improve the critical mass of the market.
- Improve signage to the Market.

Small Markets

- Secure funding to upgrade the receptacles/stalls that traders use prioritising securing funding to upgrade the kiosks at London bridge which is a key entrance to the borough.

New Opportunities

- Work with the Elephant & Castle Team on the proposals for new markets as part of the Elephant & Castle regeneration and ensure these complement the existing offer and are managed strategically with the boroughs markets portfolio.
- Explore the feasibility of and secure funding for an Arts & Crafts and Farmers Market in Camberwell.

Explore the feasibility of and secure funding for trading opportunities at Canada Water Plaza linked to the Canada Water Regeneration

- Revitalise the market on Albion Street exploring the feasibility of a Scandinavian themed market in the Rotherhithe area

This would include an assessment of the impacts on the existing shops and their turnover, changes in pedestrian footfall, improvements to the overall image of the street etc.

The Planning Policy team are in the process of preparing the draft Canada Water Area Action Plan (AAP). The scope of what we can include in The Markets implementation plan needs to be discussed further with the Area Action Planning teams to ensure action plans are kept up to date.

Appendix 2

Implementation plan

Task	Lead Officer	Deadline	Key actions	Review
Complete budget setting process	JMH/HS	April 2010	Identify cost reductions Renegotiate costings Reduce current specifications on contracted areas	Completed
Put in place strategy to reduce market arrears on a sustainable basis.	JMH/MS/SC	April 2010	Regular monthly analysis of arrears Quarterly chasing letter sent out Liaison with LIBERATA on recovery	Completed
Complete Enforcement training programme	AB/MS	April 2010	Identify training needs Liaise with Resource centre to organise training	Completed
Extend Geraud contract to meet procurement timetable deadline	AG/JMH	May 2010	Complete Geraud UK contract extension Gateway 3 report	Completed
Put in place Publicity and Marketing Plan	JMH/LH	Ongoing	Identify budgets Identify media Prepare leaflets and other materials	October 10
Seek capital investment to upgrade the market infrastructure and the public realm in and around market areas	DW/JMH	Ongoing	Identify possible funding streams Look at existing capital programme to assist with improvements	December 2010
Complete draft design for East Street improvements and carry out consultation	JMH/QK	August/Sept 2010	Agree which options should be taken forward with available budgets	November 2011
Carry out improvement works	QK	Jan 2011	Contractors on site	February 2011
Review stall allocation policies, e.g. five stall and commodities rules	JMH/MS	August 2010	Identify trading gaps Analysis current Casual traders and potential traders	September 2010
Adopt Market and Street Trading Strategy	JMH/DW	Sept 2010	Get Strategy approved to begin process of retendering	December 2010
Take forward agreed delivery option	JMH/SC/JW	Oct 2010	As outlined in Gateway 1 report	March 2011
Bring a more commercial approach focused on retail, marketing and	JMH/LH/MS	Ongoing	Identify and involve Business start up organisations Look for grant funding	December 2010

Task	Lead Officer	Deadline	Key actions	Review
promote the social value of markets			Look for new market opportunities	
De designate obsolete sites	SC/MS	Oct 2010	Identify sites Consult as necessary Complete de designation report	December 2010
Consultation on changing markets legislative framework to Food Act 1984	JMH/KH	December 2010	Confirm Counsel opinion Consult with Traders and other bodies Publish Press notice Close and reopen chosen markets under new legislation	December 2010

Appendix 3

Results of Consultation on Markets Strategy

450 questionnaires were distributed to traders, councillors, a small number of local residents (in the Walworth area) and internal and external agencies. Of the 450 questionnaires distributed, 41 were returned this equates to a 9.1% response rate.

Respondents felt the single most important issues facing Southwark's markets were:-

- Lack of trade, inability to keep traders, lack of promotion, awareness
- Impact of regeneration and the immediate environment (realm),
- developments in retail environments, supermarkets, people shop elsewhere
- Access – lack of parking or high cost of parking
- Poor management – lack of trust, ineffective, disinterested management

Respondents perceived this being tackled through making markets safe, welcoming and happy places to shop and work with bargains to be found. Parking issues need to be addressed. Step up advertising and promotion of markets which could be delivered by partnership working and investment.

Over half of those (24) who responded to the survey agreed with the vision, 3 disagreed and a large number (14) did not have an opinion. For those who disagreed with the vision felt that there should be more local focus on markets and a stronger focus on the history of markets.

Overall findings and general themes are:-

- Focus on existing markets, making current markets viable and well visited. 65% of respondents felt that working on creating localised market action plans before creating any new markets was a priority, 5 respondents felt free or low cost parking would encourage more shoppers onto the markets.

“Let's give existing markets a chance to thrive before we introduce new ones. I also believe the 5 away rule is a very viable way of working as every trader has a happy and healthy distance from other traders and competition”. (Respondent 6)

- 14.6% of respondents clearly felt there were issues around management. Professional management wanted - management and officers who understand markets and traders.
- There was strong dissatisfaction surrounding communication between management and traders. There is a clear need for greater

improvements in communication. Many traders feel their work experience is not taken into account.

“To converse properly and listen to traders.....” (Respondent 3)

“Establish committees for each market and meet with representatives from these market committees on a regular basis” (Respondent 31)

- New areas of funding to be investigated. New ways to attract and retain and support new traders.
- There were also very strong trader responses against the full privatisation of markets.(15)
- A large number of traders responding had a clear view to retain the current 5 stall clashing rule.(18).

Item No. 15.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Review of Southwark Housing Garage Rents	
Ward(s) or groups affected:		All wards; Estate garage users	
Cabinet Member		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

FOREWORD - COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT

1. The previous administration agreed a review of garage rents at the Executive in January 2010. This report suggested that we should be seeking to charge at different levels across the borough dependent on the value of the garages in order to increase income.
2. I have reviewed the situation, and make the following comments. It does make sense to charge lower rents where there is little demand for garages. It also makes sense for charges to increase so we can invest in making our garages more attractive, safe and secure. However, I feel strongly that the charging system should be clear and easily understood. What's more the rate rises should not place garages out of reach for our residents. I feel the recommended proposal balances the need to increase take up with the need to increase income for investment.

RECOMMENDATIONS

Recommendations for Cabinet

3. To introduce a differential charging policy for garages to reflect different market conditions in the borough. Thereby creating four pricing zones across the borough. The detail of the charges is set out below and in paragraphs 22 and 23.

Pricing Zone	Charge
A	16.55
B	14.70
C	12.85
D	11.00

4. To introduce a £5 supplementary charge for all non-council tenant garage users by January 2011.
5. To conduct a mid year review of garage charges in 2011-12

Recommendation for Leader of the Council

6. To delegate authority for detailed variations in the charging and marketing policy to the Cabinet Member for Housing Management.

BACKGROUND INFORMATION

7. The council housing service manages 7,000 garages. Just over 1,000 of these are either due for demolition as part of regeneration schemes (e.g. Heygate) or are part of proposed developments for affordable housing. Most of these are empty garages and are not being relet. The 4,000 garages in use are let to approximately 2,300 tenants (out of 39,000), 950 leaseholders (out of 12,000 some of whom have more than one garage), and 600 private (or non-council estate residents). This set against the 6,000 garages which are capable of being let. Over 30% of our garages are not in use.
8. The garage portfolio has been under review for a year, with a view to increasing take up, reducing void levels, and increasing the quality of the portfolio. Much work has been conducted already to let empty properties and increase income. The garage portfolio last year contributed an additional £500k income to the housing revenue account. This additional income was generated by the rent increase of 25% in 2009, which brought Southwark's garage charges from the lowest in London to those similar to low value areas in other London boroughs.
9. The level of garage income has a direct impact on our ability to invest in the portfolio and improve the level of take up. Higher rents is one way of increasing income, and as are more innovative projects for alternative usage of some of the more derelict sites. The council is also looking at how best we can bring in additional investment through private sector partnerships where we have facilities that require considerable investment to bring up to scratch.
10. Higher rents are necessary to make sure investment can continue. It is also important given current funding pressures that the Council maximise income from non residential property. The 2010/2011 budget settlement for the Housing Revenue Account included provision of £1.25 million net of additional income from the garage portfolio. This projection was based on a policy being introduced to maximize income from the portfolio, following the January 2009 Executive. Here it was agreed that further investigation would be conducted to introduce a differential charging policy within Southwark. The Executive report stated that:

"In order to do this, work is required to assess which garages will attract premium rates, which need refurbishment work to bring them up to a lettable standard and which should be disposed of, to generate funds to re-invest in the remaining garage stock".

11. In consultation for the 2010-11 rent increase the following proposal was put to Area Housing Forums and Tenant Council:

"Work on a re-engineering of the methodology for charging for non-dwelling properties is on-going, and it is the intention of officers to bring the results of this, once complete, to the Executive in Spring 2010 for consideration and approval. In the interim, it is proposed to either maintain the existing level of charge until the results of the review have been subject to consultation, or apply an increase sufficient to move the average charge to £15.00 per week; which equates to a 33% increase".

12. The response of the consultation was that residents preferred that a full review was carried out rather than apply another "flat rate" increase. This approach was

agreed at Executive on 25th January 2010.

13. The new administration reviewed the proposal in July 2010 and felt that this approach should be tempered. A purely commercial approach meant a complex and opaque system of charging, as it took into account the different conditions of garages as well as the market value depending on areas.
14. Consultation has been ongoing with residents, and the working group has also expressed concern about the potential level of rent rises. The new administration have asked that the recommended garage rent rises reflect current economic conditions as well as resident concerns.
15. This report outlines the result of this review, which takes into account the new administration's wish to reduce the complexity and level of garage charging, and the wishes of residents who have made very similar comments on the previous proposal. The recommendation sets out a template for differential charging should allow the Council to market the more difficult to let properties successfully while gaining a higher rental yield from properties in higher value locations.

KEY ISSUES FOR CONSIDERATION

16. The review of local market charges started in October 2009 and was completed in June 2010. The sources have been local estate agents, classified ads, and the increasing volume of garages marketed on the web.
17. The results show, as expected, a significant variation across the borough, mostly in line with the housing market but also driven by:
 - ✓ Closeness to the City
 - ✓ Closeness to major transport hubs
 - ✓ Locations just before the congestion charge zone.
18. Direct comparison with the local authority sector is subject to some caveats, notably that market rates will be for good condition garages, often in controlled access environments. What's more, private sector providers are more likely to negotiate lower rates from initial asking prices. Taking these points into account and recognising that most estate garages have few of the features offered on the open market we can extrapolate the likely open market rate for estate garages as:

Area	£pw
Bermondsey	24.09
Borough & Bankside	21.60
Camberwell	19.94
Dulwich	18.28
Nunhead & PR	18.28
Peckham	16.00
Rotherhithe	20.94
Walworth	27.42
Weighted average	19.50

19. These rates are very high set against the current average Council rate across the borough of £12.24pw.

20. A number of options have been considered throughout the review. The first and simplest is to impose a flat rate charge across the borough at a low market rate. The problem with this approach is that it is unlikely that take up would increase in low demand, high supply areas, particularly in the centre of the borough. This would reduce rent overall, and be counter productive in that usage would actually drop. The second is at the opposite end of the spectrum. This involved charging the absolute highest rent possible for each garage. This highly complex system would involve a rental level being agreed at the time of letting, on the basis of the garage location, condition, and the nature of the occupant. Although it was likely to raise the most income, it was highly likely to confuse residents, and just possibly the Officers administering the system. This option would also be difficult for a public body as the possibility of negotiation at the point of letting could open the door for a level of corruption. Both these options were rejected without detailed examination.
21. Two further options were pursued. One was a relatively sensitive method of calculating garage rents taking into account the location and condition. It involved having 12 banded rents, ranging from around £12 to £26 in the most expensive locations. This option was considered a real possibility in terms of implementation, but both residents and the new administration were concerned about the complexity of the system and the relatively high rents. A full outline of this option is contained in Appendix A.

The recommended option – Creating four pricing Zones across the borough

22. This option was developed to recognise the difference in value of garages across the borough, but to limit rent rises to an acceptable level. The Zones have been designed to minimise the effect of a flat-rate charge within Zones leading to some groups of garages being harder to let. Broadly speaking this new proposal sets the Zone flat rate at a lower than market level. The highest level of increase will be at around 30% - but will still be significantly lower than market rents in this area, and lower than the London average for local authority garages.
23. The proposed charges are set out below. These are

Zone	Charge
A	16.55
B	14.70
C	12.85
D	11.00

24. This compares to a current average rate charge of £12.24. At this level of charge we believe an occupancy rate of 80% is achievable. The proposed zones are shown on the map in Appendix B. In the broadest possible terms charges are more expensive in the north of the borough, where demand is greatest and there is limited availability. Charges actually reduce in the centre of the borough where condition is worse, the largest numbers of garages are empty and where a concerted marketing effort will be needed to bring garages into use. This amounts to an average charge of £13.27, just under 8.4% higher than the current rental level. This rate also compares favourably with other London Boroughs. A full comparison of Southwark's rental charges with other London boroughs is attached as Appendix C

25. In addition, it is proposed that an additional charge of £5 per week is applied to all non-housing tenant garage users. This is recommended for implementation in January 2011 subject to a full review of the operational and financial systems needed to support implementation.
26. Some variations on this Option D could be incorporated into this proposal, and it is suggested that the resident's working party continue to engage on the details of the charging policy. Some possible variations are set out below.
- ✓ **Poor condition garages** - These could be offered with an initial rent free period in compensation.
 - ✓ **Garages that are much larger than our normal good size (ie more than 2.5m x 5.0m)** - There are not many of these but they definitely command a higher market rate. We will prepare a list of these and we could charge the "next Zone up" for these i.e. £5 pw more.
 - ✓ **Garages with internal electricity supplied from the Landlord's communal meter** - We estimate are that about 300 garages are consuming about £15k per annum. This is over and above the communal lighting external to many garages. The suggestion is that we keep the Zone charge for the garage the same but add a service charge of, say, £1pw.
 - ✓ **Garages with allocated parking bays in front** - These cannot be used by anyone other than the garage user but should be treated as an additional benefit. We can add the current "allocated bay" charge of £2.50pw to the garage charge.
27. These options are being discussed with the Residents Garages Working party. It is recommended that the decision to introduce any of these variations is delegated to the Cabinet Member for Housing.

Concessionary charges

28. It is recommended that the council consider a concessionary charge of £5.00pw for all users who hold a Blue Badge or receive a disability or mobility allowance, and any council tenant aged over 70. This will include our AD badge issued as a copy to the Blue Badge (Blue Badges are not vehicle specific and are often stolen from vehicles). It is estimated that approximately 250 garage users would fall into this category if this discount were offered. It is estimated that this is about 100 more users, in this category, than if the concessionary amount was not offered.
29. The financial impact of this option has been included in the estimates in this paper. If this option was not chosen then the increased income from charging standard and discounted rates would be about £35,000.

Future Reviews

30. The following reviews are proposed to take place:
- Options on changes to the current garages model, in particular the success of the policy to increase take ups and reduction of voids
 - Options on how to further increase charges to bring them further in line with commercial rents
 - Options on an alternative usage policy
31. Updates to the garages policy and charging structure is planned for

September 2011 however this does not preclude a possible increase in April 2010. The above reviews will feed into this process.

Implementation timetable

- 32. The proposed timetable for implementation is 1 November, following a Cabinet decision in September.
- 33. The increases (and some decreases) in charges will take place in November 2010. Garage users will be sent an information sheet showing the reasons for change, the Zones proposed, and the arrangements for concessions, along with 4 week's notice giving the date of increase and the new charge and the change in charge.

Policy implications

- 34. The main policy implication of this proposal is to maximise the assets of the council to increase income for council housing services.

Community impact statement

- 35. The community impact of this proposal is mixed.
- 36. On the one hand a number of garage users will pay a higher charge (but still below market rates) for storing their vehicle.
- 37. On the other hand the majority of those living on our estates will benefit from the increased ability of the council housing service to fund repairs and improvement, particularly to the estate environment and security. People on lowest incomes tend not to own a vehicle or to rent garages.
- 38. Empty garages in disrepair can be an eyesore for local residents and attract anti-social behaviour particularly under buildings or away from where they can be overlooked. A campaign to bring more garages back into use and to increase income will bring in the funds needed to make these areas safer, better lit, and provide increased secured for example by fitting fob controlled gates.
- 39. Many insurance companies reduce the premium for car insurance if vehicles can be stored in locked garages.
- 40. Those who have a disability or are older (over 70) will benefit from the concessionary charge.
- 41. There are no likely impacts for reasons of: faith/religion, gender, race and ethnicity and sexual orientation.

Resource implications

- 42. This report makes proposals which fall within the council's budgetary plan for the Housing Revenue Account.
- 43. It is estimated at budget setting for 2010-11 that after repair and investment costs and associated management costs that council estate garages could deliver £1.25m net to the Housing Revenue Account compared to the previous year. At

budget setting time it was anticipated that an average charge of around £19.00 could be made from August 2010. This would have delivered £1.25m of additional income to the HRA. The overall financial improvement on the garages account in 2010-11 is now substantially reduced.

44. In assessing the impact of increased charges for the majority of garages we have taken into account the likelihood that some will be returned to us because of the charge increase. Increased efforts to advertise and market the availability of garages will more than counter this effect. In any event, for the remainder of this year we expect to maintain the current level of rented garages.
45. The recommended lower pricing option will mean an in year shortfall of £1.2million against target, which will be offset from reserves in 2010-11, and additional savings in the housing management budget in future years. The full impact will be reduced by adjusting the predicted spend on investment and repairs to increase net income. It is also expected that the current pilot project looking at alternative commercial uses will reap some financial dividends which could increase the yield in future years.

Legal implications

46. Garages are let on weekly licences. The statutory requirements for changing or increasing rents (for dwellings) do not apply to garages. Garages do not usually form part of the dwelling tenancy agreement. The exception to this is the very few tenancies where the dwelling includes an integral garage (some townhouse types). The charges for these garages cannot be altered without undertaking the full rent increase procedure, and notice, which is normally undertaken before the start of the financial year.
47. Changes in terms (including charges) of the garage licence can be brought in at any time of year. It is generally accepted as good practice to give more notice than one week (the period stipulated in the licence agreement). It is proposed that 4 weeks notice be given to garage users following the completion of the council's decision making process including Cabinet.

Consultation

48. Consultation for the general principle for non-residential differential charges took place for the 2009/10 rent and service charge increase. Garage charges at the time were low even compared with low market areas in other boroughs. It was decided to apply a flat rate increase charges from c.£10.00 to £12.41 (approximately a 25% increase) and to investigate differential charges.
49. During the 2010/11 rent consultation residents were informed that a review of charge charges was underway but that this would not be completed in time for the proposed April 2010 rent changes. Residents were given a choice and after consultation Tenants Council expressed their preference to hold the current garage charges until the review was completed and that any change, if any, would take place during 2010/11.
50. In June 2010 Tenants Council and Home Owner Council were invited to nominate representatives onto a Residents Garages Working Party. Home Owner Council nominated two representatives whilst Tenants Council made its nomination in July.
51. The Residents Garages Working Party has met twice in August.

52. The Residents Garages Working Party provides a critical sounding board during the preparation of, and after a decision on, this proposal. Residents bring important local knowledge to bear on the detailed operation of the service, give feedback on any inconsistencies, and suggest new ideas. The Working Party will monitor our performance and the Working Party will also have the opportunity to comment on improvements to the garages policy and procedures as these are developed.
53. Detailed feedback on the Working Party discussions will be presented to the next meeting of Tenant Council (6th Sept) and Home Owner Council (8th Sept).
54. In discussion with Working Party members several different views were expressed by residents' representatives about the level of charges for garages:
- Some felt that a low flat rate was appropriate for two reasons, firstly because benefit levels do not vary across the Borough, and secondly because council rent levels do not vary that much for similar dwellings in different locations. Officers emphasised that most benefit claimants were not car owners.
 - Some resident's reps felt that we should subsidise garage charges as they are a way of helping those in low income jobs remain in employment, particularly those working unsocial hours. Officers pointed out that this might not be a proper use of a Housing Revenue Account and that is unlikely that Council Tax would be used to subsidise garages.
 - Whilst residents' reps understood that additional income was needed and that some changes to the charging structure were needed they were not in agreement about any increases. Rather they felt that charges should be increased for non-resident users to subsidise council estate residents.
 - It was suggested that one way of improving some garages might be to sell some and use the capital receipts.
55. There was general agreement that bringing more garages back into use was as important as getting the charges right. There are a number of garages in use that are not paid for and these are being investigated: contractors using them as storage; Area Officers storing work files and abandoned household goods; and some by residents who do not pay. The Working Party agreed that a programme of internal inspections, forcing entry if necessary, would be supported by T&RAs, and indeed had been asked for on several occasions in the past.
56. There was also agreement on a number of points which will improve the service:
- Charges need to be lower in the "middle parts" of the borough if we are to increase occupancy and net income.
 - Under suitable conditions garages should be allowed to be used for household storage rather than just for a car. This will increase take up and net income.
 - Increased income should be used to repair more garages. And so increase income.
 - Larger garages should have a higher charge than smaller garages.
 - Some garages should be designated for projects which are targeted at gaining maximum market rates on the open market to help subsidise the service. These are likely to be in the North of the Borough or near to stations.

57. This report also asks that further decisions on the detail of the charging and marketing policy are reserved to the Cabinet Member for Housing Management.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

58. Comments from the strategic director of communities, law & governance are:

- The legal implications are set out in the body of this report; however, the following comments should also be noted. Garage rents are not covered by the Government's rent restructure or variation policy and as such it is for the Council to determine any variation or increase to be implemented in accordance with the garage licence agreement and existing policies and procedures.
- The Licence agreement provides that a least one weeks notice in writing will be given of any increase in the licence fee. The report recommends at paragraph 40 that 4 weeks notice be given to garage users. Although there is no statutory notice requirement in relation to garages this recommendation is consistent with other statutory notice requirements for example those pertaining to rent increases as provided for by s103 of the Housing Act 1985. This provides that a notice of variation of rent must be served at least four weeks before it is to take effect.

Finance Director (FIN0586 - DC)

59. This proposed change to garage rents will increase net income by £130,000 over a full year. Therefore, if implemented on 1 November 2010, income will increase by £50,000 from 2010-11. However, given that an increase of £1.25m was agreed as part of the budget setting process, there will be an income shortfall of £1.2m in 2010-11 and £1.1m in 2011-12. Provision has been made centrally to cover the income shortfall within year. The shortfall in 2011-12 will need to be considered as part of the HRA budget setting process.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Sample garage licence agreement	Housing management division Hub 3, 3 rd Floor, Tooley Street	Tunde Akinyooye 0207 525 3710

APPENDICES

No.	Title
Appendix A	Complex charging options
Appendix B	Proposed map of zones
Appendix C	Comparative charges

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director of Environment & Housing	
Report Author	Margaret O'Brien, Head of Housing Management	
Version	Final	
Dated	9 September 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team		10 September 2010

APPENDIX A – COMPLEX CHARGING OPTIONS.

This option bridges the gap between flat rate charging, and the more complex block by block charging, by charging in area based bands, with adjustments for condition. There are some variations around the application of bands, which will need careful explanation and communication. However, the proposal means that incentives and discounts can be clearly applied in the low demand areas in the centre of the borough, while additional income generated in the north of the borough can be committed to bringing the whole portfolio up to a higher standard. The projection for the current financial year is £1.25 million additional income net of costs.

The charging structure recommends a range of bands, with the highest bands applying in the high demand, and high cost north of the borough, with lowest bands applying to the lower demand centre and south of the borough. The recommended bands are set out in Table C below. You will note that the bands range from below the current charging rate to significantly above. More than one band can apply to each area, as we will also take into account the condition and location of garages in deciding charging.

Band	£pw
A	12.10
B	13.30
C	14.60
D	16.10
E	17.70
F	19.50
G	21.40
H	23.60
I	25.90
J	28.50
K	31.40
L	34.50

A Band will be specified for each estate within the range stated. Those locations that have extra security (eg fob controlled access gate before reaching the lock up garage) and are in good condition will be charged at one Band higher, whilst those with poor security and in poor repair would be charged at one Band lower.

These charges are significantly higher than current charges and so an option could be considered that tenants and leaseholders on nearby council estates (within 1 km) would receive a discount equivalent to a reduction to the next lowest Band. This reflects our desire that council residents make the most use of garages on their estates. This discount will not apply to freeholders on the estate or to others that live or work in the borough or choose to rent a garage as a base for their vehicle while they work in the city. We estimate that garage usage will balance out at about 70% by council estate residents and 30% by others.

The financial impact of this discount option has been included in estimates in this paper. If this option was not chosen and all users paid the same low market rate then the increased income would be £220,000 allowing for a slightly lower take up rate.

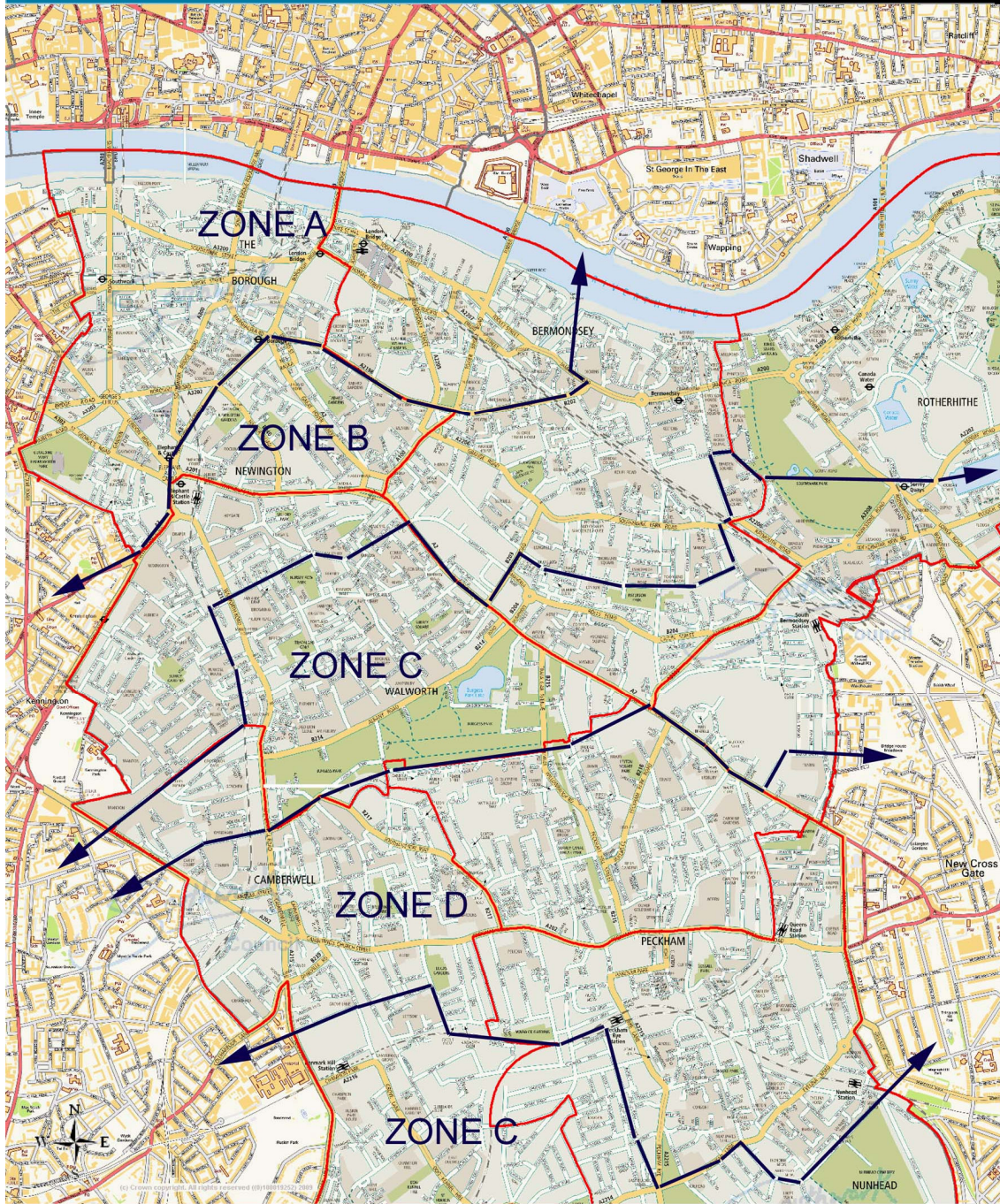
Whilst Option C has many attractions and would be sensitive to local circumstances it might seem unnecessarily complicated, and hence hard to explain to users. The main driver for price differentials is location and Option D below focuses on this with just four pricing zones.

APPENDIX B – MAP OF ZONES

Garage zones 2



Date 12/8/2010



This map is based on Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationary Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. (0)100019252) 2009

Scale 1/16835
Pete Redman

APPENDIX C – COMPARATIVE CHARGES

Borough	Council resident	Private resident	Managed by	Comments
Southwark	16.55 14.70 12.85 11.00	16.55 14.70 12.85 11.00	Area teams	Current flat rate across the borough Proposed four charging Zones
Camden	£6.92 to £9.06	£26.05 to £34.10**	Area teams	Charges vary on emission levels
Hammersmith & Fulham	Small = £10.29 Large = £11.56	Small = £12.09** Large = £21.70**	Central team	Second generation leaseholders treated as private resident
Islington	£7.00 to £17.00	£11.00 to £25.00	Central team	Charges vary on emission levels in 7 bands 50% discount for Blue Badge holders
Lambeth	£11.55	£15.00	Central team	Blue Badge holders free
Lewisham	£7.00 to £10.00	£7.00 to £10.00	Central team	Based on location £3.54 concessionary charge for a Blue Badge holder
Richmond	From £16.00	From £16.00	Central team	Increases on location based on local market rates
Wandsworth	A = £19.52 B = £11.64 C = £8.37	A = £19.52 B = £11.64 C = £8.37 £25 to £30pw	Central team	Band A is best condition or location B is medium condition or location C is poor condition or location Some garages let at full market rate Some pay Thames Water charge on top
Westminster	£12.00 to £15.00	£30.00 to £41.00** £42.00 to £93.00**	Area teams	Based on location and varies for each estate Highest charges for people who commute into the City

All charges are in £ per week exclusive of VAT unless marked** which include VAT

Item No. 16.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Street Clutter Overview and Scrutiny Review 2010 - Cabinet members response to committee recommendations	
Ward(s) or groups affected:		Borough-wide	
Cabinet Member:		Councillor Barrie Hargrove, Environment, Transport and Recycling	

FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR ENVIRONMENT, TRANSPORT AND RECYCLING

1. The Street Clutter Overview and Scrutiny Review produced by Scrutiny Sub-Committee B, throws a spotlight on an issue which has almost been waiting to be brought to prominence. The highway environment over the years has collected redundant signage and no longer meaningful traffic controls, which despite being detrimental to a well designed street scene, have been left in situ.
2. I welcome this report as it anticipates the long-awaited Design Manual which will comprehensively address in large part many of the issues raised here. I am particularly, in relation to recommendation 4. (paragraph 17), looking forward to the establishment of a Design Quality Board, which I as Cabinet Member for Transport, Environment & Recycling will oversee.

RECOMMENDATION

3. That cabinet approve the proposals in this report resulting from overview and scrutiny committee recommendations.

BACKGROUND INFORMATION

4. On the 20 July 2010 the Cabinet agreed that the recommendations of the de-cluttering programme review undertaken by scrutiny sub-committee B be noted, and the cabinet member for environment, transport and recycling as lead cabinet member bring back a report to cabinet with a proposed response to the overview and scrutiny committee by 21 September 2010.
5. The main concern of the scrutiny and over-view committee was to understand barriers, issues and limitations impacting upon efforts to achieve reductions in the level of ‘clutter’ within streets and spaces. Clutter can be broadly defined as items of street furniture which create visual or physical obstructions or road markings and street surfacings that are not visually harmonious. Clutter has been criticized variously for undermining the character and distinctiveness of the public realm, creating safety and accessibility issues and promoting a ‘highways dominated’ environment in which motorists do not give adequate regard to other street users or the social functions of streets.

6. However, as the committee heard, whilst many items can be considered to be clutter by merit of the above definition, that is not to say that they may not serve other important purposes that could out-weigh the imperative to reduce clutter.
7. Scrutiny on this issue comes at a time when it is receiving substantial national coverage with numerous government initiatives and legislative changes underway or in development. In August 2010 the Communities Secretary, Eric Pickles, and Transport Secretary, Phillip Hammond, wrote to Local Authorities urging them to reduce street clutter. A review by the Department for Transport of secondary legislation governing the use of traffic signs and road markings (The Traffic Signs Regulations and General Directions 2002) is also underway. The Mayor of London's recently adopted Transport Strategy has also identified clutter reduction as one of the priority interventions to improve street quality (along with general 'tidying') in an age of budgetary constraints when more comprehensive works may not be possible. Finally, a bill is currently going through parliament (The London Local Authorities and Transport for London Bill, No. 2) that proposes to simplify the process by which local Highway Authorities may mount necessary signs and lighting apparatus to private property. This would extend powers currently enjoyed only by the City of London and City of Westminster to other London boroughs.
8. Like other authorities, the Council has made significant efforts to date to reduce street clutter through various schemes and programmes. This includes the removal of substantial lengths of pedestrian guard-railing. In addition, reduction of street clutter has been an overall objective of larger schemes such as Walworth Road which have won national awards for their design. However, as officers explained in their submission to the scrutiny committee, the complexity caused by safety and liability concerns, as well as legal and enforcement considerations, mean that random removal of clutter is seldom possible. Some level of assessment or auditing will generally be required before removal, and for this reason clutter reduction may be better achieved through comprehensive schemes.
9. The Council is currently developing a Streetscape Design Manual (the Design Manual). This is recognised as a key opportunity to address clutter by putting in place standards to control the use of street furniture, signs, surfaces and road markings, as well as broader procedures to address attending liaison, design development, risk management and coordination issues that have historically contributed to the profusion of clutter. The potential content and scope of the Design Manual was a constant reference of the scrutiny committee and a number of it's recommendations relate to this.

KEY ISSUES FOR CONSIDERATION

10. The following provides the cabinet members response to Cabinet on the recommendations of the scrutiny committee.

Recommendation 1

11. The design guide for the public realm should be finalised and agreed as a cross-cutting guide for the council as a matter of urgency. The sub-committee recommends that it be added to the forward plan for approval in September 2010.

Response

12. The date proposed in the scrutiny report has now been superseded. A draft of the Design Manual was released for comment across Council departments in August 2010. This process will end in mid-September 2010. Thereafter amendments will be made prior to release for public consultation. The manual is currently on the forward plan along with various other transport related documents for approval by cabinet for release for consultation in December 2010. Consultation would follow in January 2011. A final approval date is yet to be confirmed. This will depend on whether it is wished to approve the various transport related documents together or separately. If approved together, it is likely that statutory consultations with Transport for London related to other documents (specifically the 'Local Implementation Plan') would delay approval until the summer of 2011.

Recommendation 2

13. The design guide should be used for the wider public realm, not only for specific streetscape issues. In particular, it should be adopted for housing land and reflected in planning policies so that new developments seek to minimise clutter.

Response

14. It remains the intention to extend aspects of the Design Manual to other areas where appropriate. Discussions are due to take place between departments shortly as to how this can be achieved. However, it should be appreciated that not all aspects of the document and the controls it proposes may be appropriate to housing and parks given current investment frameworks and the often differing design contexts of these areas compared to the public highway.
15. It has been agreed with the Director of Regeneration and Neighbourhoods that the Design Manual will be referenced as a key design requirement in future negotiations and planning conditions (where relevant) where public space is intended for adoption as public highway. The Design Manual shall also be promoted as a tool to inform the design of non-adopted spaces, though it should be appreciated that this will be informal only since these areas are generally beyond the strict control of both Planning and Highway Authorities. Discussions are taking place with the Planning Authority over the course of the internal officer consultation on the Design Manual as to how best to align proposed procedures such that those controlling design of the public highway work together with those for town and country planning considerations.

Recommendation 3

16. There should be a substantial and ongoing training programme to train council staff and consultants in the use of the design guide to ensure that the good practice it advocates is embedded across the organisation.

Response

17. It is proposed to arrange internal training as to use of the Design Manual and related procedures in advance of and following adoption. This will be for internal officers and partner organisations.

18. It is not proposed to provide training for external consultants. Issues related to clutter are addressed within the Design Manual through a comprehensive set of design standards. The Design Manual complements these with substantive departure control, design checking and quality review procedures. As part of this it is proposed that design officers will engage positively with consultants to shape design proposals rather than simply enforcing a passive compliance regime. It is considered that this provides the most appropriate framework through which clutter can be addressed with consultants.

Recommendation 4

19. The design guide should be championed at the highest level by both members and officers so that it is clear the importance that the council attaches to the issue.

Response

20. The head of Public Realm will chair a new 'Design Quality Board' (the Board) of senior officers that it is proposed to establish as part of the general design quality control regime set out in the draft design manual. This Board will have the power to review individual design proposals and to monitor general progress across programmes against proposed strategic design indicators and other monitoring indicators related to Council priorities. These are yet to be developed. However, it is proposed that some relate to clutter. The work of the Board will be overseen by the Cabinet member Environment, Transport and Recycling hence supporting accountability for performance against these indicators.

Recommendation 5

21. Ward councilors should be empowered to become decision makers on highways schemes, perhaps through community councils so that those with an intimate knowledge of an area take political responsibility for decisions on such schemes.

Response

22. It is intended that the second stage of the Democracy Commission look at improving Community Councils (amongst other things). This is subject to the review that will take place at the end of stage 1. It is recommended that this issue is referred to the Democracy Commission for consideration as part of stage 2 of its work. This will need to consider a number of issues including: space on Community Council agendas; the balance between their functions as decision making bodies and a mechanism for community engagement in which the formality required when decisions are being taken does not apply; and resource requirements.
23. In the current financial year minor traffic schemes were delegated to Community Councils for approval through an individual member decision. This was considered to be appropriate as the schemes were generally non-strategic in nature and addressed local problems. On-going delegation of responsibility to Community Councils would require potentially time consuming changes to the constitution and likely costly officer support.
24. From a practical perspective, beyond all but the smallest public realm schemes

the design of public spaces becomes extremely complex, requiring the careful balancing of many detailed technical concerns and duties to ensure a robust audit trail exists to justify decisions. This is a long and involved process that necessitates considerable liaison between officers to agree solutions which achieve an acceptable compromise between inevitable competing duties and concerns. Important considerations include the Council's strategic policy framework and risk and liability issues. The latter can be significant in relation to public realm schemes. These all need to be considered before decisions can be reached. To input into these complex issues, additional support and training for elected members is likely to be required. Further considerations would be: avoiding the risk of abortive work; and balancing local priorities with the robustness of strategic policies (including standards within the new Design Manual).

25. Whilst waiting for the Democracy Commissions review, officers will continue to actively consult with Community Councils and members of the public on larger schemes to understand their concerns and factor these into the development of design judgments. This will be built into the Community Council agenda planning process. Further procedures currently being developed as part of the Design Manual will seek to strengthen the input of local persons, including street leaders, into the design development process during early stages. For larger schemes it is also proposed to undertake public 'quality audits' to feed into officer level design review and decision making sessions.

Recommendation 6

26. To ensure informed decision making, training on streetscape design issues should be extended to councilors.

Response

27. It is felt that this would be an extremely valuable initiative that could provide insight for members into the many complex factors that must be balanced within design proposals – so helping them to support officers in the enforcement of standards by allowing them to better communicate these same complexities to members of the public.

Recommendation 7

28. To aid in the profile and focus given to street clutter issues, and to reflect the cross-cutting nature of its use, the design guide should be agreed by the council executive, rather than delegated to an individual member through the individual decision making process.

Response

29. Agreed, the SSDM has been put on the Forward Plan for Cabinet to consider in December for approval for public consultation.

Recommendation 8

30. Public realm officers should be involved and consulted at the design and planning stage of all projects to facilitate cross-referencing with other projects

and ensure that the principles of minimum street clutter set out in the design guide are adhered to.

Response

31. The Design Manual includes substantive procedures that aim to ensure the engagement of 'design quality officers' in influencing project brief's and design proposals from the earliest stages. This is intended to result in a proactive 'shaping' approach, rather than a mere reactive 'compliance' approach for the Highway Authority. This work will be aided by the proposed establishment of the Board (see para20 above) of senior officers from public realm and some other departments and related requirements for their notification of all and any projects in the public realm. This information will be fed into the Council's new public realm projects database and through into 'ward prospectuses' received by members.
32. The process recognises the need for a strong, consistent, and strategic approach to design quality. It also acknowledges and embraces the need for the department to play a lead coordinating role if the individual objectives of funding departments or scheme advocates are to be successfully balanced with wider concerns – now recognised as crucial to complex issues like clutter reduction.
33. Regarding cross-referencing with other schemes, as explained elsewhere in this report the current approach to clutter reduction is to consider this as one element within wider improvement schemes. This is seen as providing a general saving as necessary administrative and procedural issues (including those related to risk and liability) can generally be addressed in one, whereas were individual spot removals of items of street furniture to take place they would likely be required for each separate location. However, this approach is limited by the scope of the broader scheme in question, the funding streams that can be accessed and the officers involved. Clutter is most effectively reduced where design can be addressed comprehensively, with issues such as street lighting, parking prohibitions and road safety considered together. Depending upon priorities for the use of funding there are a number of potential alternative strategies that might be employed more successfully. These include:
 - Creating a dedicated clutter reduction programme to address large areas (e.g. a ward) at a time, bring together officers from various teams and programmes to ensure a holistic approach can be achieved. No such current programme exists and funding would have to be rededicated for these purposes. A number of other boroughs where clutter reduction is a priority already take this approach.
 - Increasing the degree of coordination between works within a given area, effectively stacking up parking, lighting, road maintenance, transport and other environmental improvement schemes (e.g. CGS projects) to be delivered as one such that clutter can be addressed effectively without being limited by responsibilities or access to budgets. This would require a refocus of funding from a large number of small individual projects to a smaller number of wider ones. To be successful a strong lead would be required from members to ensure that different budget holders and Community Councils pooled and coordinated their funding in such areas. Whilst management of such large projects by officers could become more challenging, this approach could result in overall cost savings. Overall project

administration costs may decline as a consequence of managing fewer projects overall and this having to undertake a lesser number of related checks, audits, consultations and assessments. Implementation costs may also reduce as clauses providing percentage reductions in construction term contract rates (related to the overall value of works) were invoked and the need for individual welfare and site management provisions reduced.

Recommendation 9

34. Relevant stakeholders should be consulted on public realm issues wherever practicable.

Response

35. The Public Realm Division will continue to undertake statutory consultations with agency and public stakeholders and to meet constitutional requirements for consultation with the public. However, in addition to this, the Design Manual proposes a series of further initiatives.
36. The Design Manual will include procedures to secure the early engagement of stakeholders (including 'street leaders') during the development of project briefs. For larger projects it is also proposed to supplement normal public consultations with further stakeholder 'quality audits' that can then feed into officer deliberations over proposals.
37. The Design Manual will aim to clarify for the first time what the public can expect in terms of levels of public consultation and engagement for different types of projects. It is likely that this will need to be relatively flexible, responding to the specifics of the project yet based on a number of 'model' requirements.
38. It is also proposed to grant Southwark Living Streets an advisory seat on the proposed Board (see para20 above) of senior Public Realm officers. It is intended that this shall give greater exposure to the Council's work, facilitate a more collaborative approach to improving the public realm, allow more effective sharing of local knowledge and encourage in partner groups a more rounded, strategic understanding of why particular design decisions have been taken.
39. Members now receive 'ward prospectuses' providing regular updates on the progress of improvement projects using information held in a new 'public realm projects database'. It is proposed to investigate the further development and expansion of these 'ward prospectus' to allow access by members of the public. It is hoped that this will result in greater access to information regarding the Council's public realm investment programme and appreciation of this. Providing access to scheme consultation information through an on-line version of this is an important aspiration.
40. The Design Manual also includes proposed controls that would require the consultation of equalities target groups in relation to aspects of proposals supported or prohibited by standards that may benefit or negatively impact upon them.
41. All the above steps are seen as essential initiatives to meet the Council's general duty to consult and involve representatives of local persons.

Recommendation 10

42. The peer review process for design improvements should be formally embedded in the design and approval process to ensure a holistic approach.

Response

43. The Design Manual sets out a comprehensive process for peer checking, review and approval. Draft procedures are being reviewed as part of the current internal officer consultation with a view to further development and refinement prior to issue for public consultation.

Recommendation 11

44. Early consultation should include the issue of maintenance costs. This will reduce unforeseen liabilities for the council in terms of the cost of maintenance of the public realm.

Response

45. Again the Design Manual sets out a comprehensive process to address issues of maintenance related to materials and street furniture. Draft proposals include procedures for the approval of products for use against particular specifications set out in 'street element palettes' (e.g. a specification for the design of a bollard). The procedures are intended to ensure that asset management implications are fully understood before a product is approved for use on the public highway. Similarly, procedures for authorisation to make one-off use of products not currently approved for general use will capture asset management concerns.

Recommendation 12

46. That the selection process for the forthcoming guard rail removal scheme should engage councilors and members of the public who are likely to have views about priority areas.

Response

47. There is no existing individual funded programme of guard rail removal whilst none is currently planned. The present approach to removal of guard-railings is to assess for removal any railing found within a broader scheme area – the removal of railings just being one of the many improvements being undertaken as part of that scheme. The proposal to remove railings is consulted on as part of the broader proposals. This is opposed to a programme wherein guard-railing removal is the only improvement being undertaken.

Recommendation 13

48. The Community Councils should take a more central role in reviewing and approving highways and road safety schemes.

Response:

49. See response to recommendation 5.

Recommendation 14

50. That highway officers be encouraged to be more proactive in removing temporary and redundant signage.

Response

51. Procedures, standards and general checking, review and approval procedures proposed as part of the Design Manual seek to make the de-cluttering of streets a mainstream concern for all projects. Specific innovations include:
- the development of detailed standards governing the permitted use of particular traffic signs, road markings, surfaces and items of street furniture;
 - procedures for controlling departures from these standards to prevent informal over-use, a requirement to include 'accessibility/de-cluttering drawings with all design development packages;
 - the inclusion of a set of general design indicators for monitoring purposes (including those related to clutter reduction); and
 - substantive procedures for design review of proposals.
52. It should be appreciated however that, even where a new Design Manual standard advises against the use of particular types of street furniture, traffic signs or road markings in a situation, it does not follow that these can necessarily be removed without further thought. As a minimum, spot assessment (as currently occurs with guard railing) will be required to ensure that these have not been intentionally placed to serve some safety purpose which remains pertinent. As such, de-cluttering is likely to be achieved most economically where considered as one aspect of a broader scheme.

Policy implications

53. The recommendations of the scrutiny committee and this response generally support the objectives and priorities of the Sustainable Community Strategy (Southwark 2016) and the Council's Corporate Plan. The objective of reducing street clutter is also strongly supported by the Mayor of London's Transport Strategy which specifically addresses this through policy proposals. It is expected that the borough's response to the Mayoral Strategy (the 'Local Implementation Plan' – currently being drafted) will reflect this. The objective of reducing street clutter is also supportive of other internal transport strategies and documents currently being drafted. These include the Highways Asset Management Plan (HAMP) and Network Management Plan (NMP) – clutter being a drain on maintenance budgets and an obstruction to pedestrian traffic. Removal of some clutter is also supportive of the current Road Safety Strategy which specifically addresses issues like guard rail removal whilst promoting more sensitive, less traffic dominated design in town centres based on the success of schemes such as Walworth Road. Whilst not specifically addressed through the Road Safety Strategy, the removal of clutter is likely to help simplify the environment for road users, making it easier for them to identify genuine hazards which may otherwise be drowned out by unnecessary visual 'noise'.
54. Lastly, the removal of street clutter is also in principle supportive of the Council's Managing Diversity and Equal Opportunities strategy in that, by making footways more accessible and encouraging more courteous road behaviour, it will improve

access to public spaces, destinations and resulting opportunities for various target groups.

55. However, this picture of mutual support needs to be qualified. As raised by officers during scrutiny review and already discussed above, whilst various items in the street scene may be considered to be clutter, that is not to say that they may not serve another important purpose that is supportive of Council policy. Some of these may relate to road safety (e.g. guard-railing and traffic signs), the encouragement of certain modes of transport (e.g. coloured bus lanes and related signage), protection of assets (e.g. bollards protecting footways from vehicle over-run) or support for equalities target groups (e.g. coloured tactile paving at crossing points or street lighting to improve perceptions of safety). The danger is that the item may be removed thoughtlessly to the detriment of the outcomes related to that policy. The need to strike a balance between the reduction of clutter and other important policies and duties must be born in mind.
56. The sheer scope and complexity of items that contribute to clutter make it unfeasible to address each in detail within this report. However, it is intended that the Design Manual sets out the Council's response to this challenge, establishing where the balance is felt to lie on individual issues through clearly reasoned standards.
57. The realisation of some opportunities to address street clutter within public spaces will be contingent on supporting provisions being made through planning policy documents – their achievement being outside the influence of the Public Realm Division as Highway Authority. Examples include securing freeholder consent for the Highway Authority to mount signs and street lighting to buildings. As such planning requirements do not currently exist these will need to be brought forward through future documents.

Community impact statement

58. Household access to cars and vans throughout most of the borough is low and many residents both with and without cars rely on walking and cycling for some or all of their daily journeys. The physical improvement of access within the street scene through the removal of clutter and perceptual improvement through removal of visual confusion will assist these users in a number of ways. These include:
 - Making the walking and cycling environment more attractive;
 - Improving physical access;
 - Creating increased space for positive street furniture (e.g. seating for the elderly) and active social uses of the street scene (play or socialising); and
 - Potentially improving the behavior of other road users through reduction of the 'highways dominated' feel of streets and spaces and perceptual improvements in the visual integration between footways and carriageways.
59. Such benefits are likely to be supportive of efforts to achieve a modal shift towards walking and cycling and to promote healthy, active lifestyles.
60. In addition, evidence suggests that reducing street clutter can (in association with other general environmental improvements) support economic regeneration

in town centres by attracting more residents to use such facilities.

61. However, the above must again be qualified. Whilst items within the street scene may be considered to be clutter, this is not to say that they may not serve another important purpose of benefit to the community. This issue is discussed above in section 8. In particular, the balance between the needs of equalities target groups and the wider community should be carefully weighed when considering stances on individual types of clutter.
62. Again, it is intended that the appropriate balance on individual types of clutter is established through the Design Manual. As with all documents, an EQIA will be conducted as part of its development whilst internal consultations are currently on-going with officers from various departments to attempt to achieve the widest possible understanding of issues – whatever the appropriate balance between these that is subsequently decided.

Resource implications

63. Many of the recommendations of the scrutiny committee will require further resources – be that for training of officers and members or the dedication of greater officer time towards ensuring street clutter is effectively removed or reduced through improvement proposals.
64. As explained by officers during scrutiny submissions and elsewhere in this report, the removal of most instances of clutter is far more complex than may seem superficially apparent. This may require ultimately:
 - Additional liaison with other stakeholders to gain necessary consents for the removal or relocation of items;
 - The re-drafting of traffic orders;
 - The strengthening of lighting columns to accommodate signage consolidated onto them;
 - The complex design of prohibition schemes that remain effective with less signs and road markings.
 - Greater dedication of resources to checking, design review, procedural controls and liability related assessments.
65. Obtaining certain consents that would permit substantial reductions in clutter (e.g. owner permission to mount signs to walls) is currently very time consuming for officers, whilst the process and legal framework for doing so is not well understood. The dedication of legal support to clarify requirements could assist in achieving down stream resource savings and make this a more feasible option in a wider range of circumstances.
66. In particular, the two alternative programme level clutter reduction strategies proposed in the response to recommendation 8 would require further feasibility study and financial modelling before the implications of options could be confirmed with greater clarity.

Consultation

67. Given the breadth and complexity of the issue, no consultation with the public on street clutter has yet been undertaken. The Design Manual will set out the Councils proposed response to dealing with individual items of the clutter and

thus the balance between the concern to reduce clutter and the potential legitimate purposes of the item. This document will be consulted on with the public and will also be subject to an equalities impact assessment in compliance with the duty to involve disabled people in public life. This consultation will provide members of the public and other stakeholders with opportunity to inform the Council's position on this issue.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director Regeneration & Neighbourhoods – planning policy/economic development response.

68. It is considered that elements of relevance to the directorate are addressed elsewhere in this report.

Strategic Director of Communities, Law & Governance

69. The purpose of this report is for Cabinet to consider the Cabinet Member's responses to the 14 recommendations proposed by Overview and Scrutiny Committee.
70. Cabinet members are being asked to consider this report in accordance with Part 3B of the Constitution which details the Cabinet's Role and Functions. Under Policy 5 of this Part, Cabinet has the authority to determine the authority's strategy and programme in relation to the social environmental and economic needs of the area.
71. A report in respect of street clutter would satisfy that criteria.
72. Central Government has made announcements within the last month regarding it's commitment to reduce street clutter in the form of unnecessary signs, railings and bollards. The Council's Streetscape Design Manual would go some way to alleviating this problem in accordance with the other measures outlined in this report.
73. Although an item may be considered to be clutter, it may still perform a legitimate function of value and in fact may be a legal requirement or have been put in place to respond to a duty. The promotion of road safety and equality for disabled persons are two such examples. Care must be taken that compliance with these duties is balanced against the new requirements to avoid street clutter.
74. Particular care must also be taken in respect of removal of those street furniture or signs which were put in place in order to deal with a local safety concern which still remains pertinent.
75. To combat these concerns a robust audit trail must exist for scheme design proposals to demonstrate that a reasonable and balanced approach has been taken to weighing the Council's legal requirements in respect of street safety etc against design considerations as well as legal precedents in respect of parking enforcement action or any other such rulings.

Head of Procurement

76. The response to recommendation 8 addresses several potential programme level options to take action on this issue. It should be noted that there may be procurement implications depending upon the contracting model proposed and the geographic area of the works that would be undertaken. This in turn may have implications in respect to recommendation 5 as, should the preferred approach result in what is considered to be a 'strategic procurement' then Community Council's would not be able to provide authorisation. Rather, sign-off would be required from the head of finance.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet 20 July 2010 - Agenda and minutes	160 Tooley Street, London, SE1 2TZ	Everton Roberts

AUDIT TRAIL

Cabinet Member	Councilor Barrie Hargrove, Environment, Transport and Recycling	
Lead Officer	Des Waters, Head of Public Realm	
Report Author	David Farnham, Public Realm Design Quality Manager	
Version	Final	
Dated	10 September 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Strategic Director Regeneration & Neighbourhoods	Yes	Yes
Finance Director	Yes	No
Head of Procurement	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	10.09.2010	

Item No. 17.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Southwark Council Food Strategy	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Barrie Hargrove, Transport, Environment and Recycling	

FOREWORD - COUNCILLOR BARRIE HARGROVE, TRANSPORT, ENVIRONMENT AND RECYCLING

1. The Southwark Food Strategy report produced by Scrutiny Sub-Committee B in March this year has amongst its many attributes the identification of cross-cutting working. It provides ideas for implementation not just in the area of environment but also health and schools as well. It identifies actions not just for Southwark Council but also for the local health authority as well as individual schools too. Everybody working together to make the best use of a fundamentally vital resource, food.
2. My response to this report demonstrates that Cabinet wants to welcome challenging scrutiny reports, incorporating them into the mainstream workplans even in times of unprecedented peace-time Central Government funding cuts.
3. I am particularly proud to highlight how our Administration's commitment of healthy free school meals for all primary school children contributes to making this an important working document.

RECOMMENDATIONS

4. That the need for a Southwark food strategy be agreed.
5. That the proposed process and timeline for the food strategy be agreed, as set out in this report.

BACKGROUND INFORMATION

6. In 2007 the Council prepared 'All Things Edible', a statement of Southwark's food related activity in response to the 2006 London Mayor's Food strategy. In April 2009 Council Assembly passed a motion to develop a borough wide food strategy (Appendix A). It proposed seven aims, five of which reflect the key aims of the 2006 London Mayor's food strategy:
 1. improving the health and reduce the health inequalities of people living and working in Southwark
 2. reducing poverty and deprivation
 3. reducing the negative environmental impacts of Southwark's food system
 4. supporting a vibrant food economy
 5. celebrating and promoting Southwark's food culture

- 6. enhancing Southwark's food security
- 7. encouraging health eating in schools

- 7. Scrutiny Sub-Committee B was tasked with guiding the food strategy and made 19 recommendations in their March 2010 report, considered by the Cabinet on 20 July 2010 (Appendix 1). An initial response to the recommendations is attached as Appendix 2.

KEY ISSUES FOR CONSIDERATION

Importance of a food strategy for Southwark

- 8. Food strategy features in a range of important national, regional and local priorities and strategies including *Southwark 2016*, and relates to several national indicators. Food policy is evolving rapidly, and food is referenced in health, sustainability and economic policy and strategy as policy makers recognise the important role food plays in some of the biggest challenges currently faced by government.
- 9. Food plays a role in addressing two major challenges facing Southwark: the health of the community, and the health of our environment. There are links between deprivation, poor diet, and diet related diseases. Southwark has the highest rate of child obesity in England¹. Overweight children are more at risk of cancer, diabetes, heart disease and arthritic problems in later life.
- 10. Increasing access to healthy, affordable food across the Borough can contribute to tackling both deprivation and obesity.
- 11. In a borough with no commercial primary production, dense often multi-storey housing, and areas of deprivation, food growing in the community enables access to cheap healthy food for residents, and can provide an opportunity for residents to learn new skills, meet new people, and be more active. By producing some of our own food we can also reduce reliance on food that needs to be transported in to the borough, thereby reducing the environmental impact of the food we eat.
- 12. A focus on disposal of food waste is also important to reduce Southwark's carbon emissions and to benefit residents living in highly dense urban environments where lack of space creates challenges for both food production and waste disposal.
- 13. Food is also an important feature of Southwark rich ethnic diversity with food products from Africa, Asia, the Caribbean and Latin America commonly seen in shops and local food markets. This diversity makes Southwark a destination for food tourists from other parts of London and the UK.
- 14. A food strategy would play a role in addressing the challenges posed around health, sustainability and deprivation in Southwark. It is proposed that the draft strategy consider six areas of work:
 - Area 1: Growing healthy food
 - Area 2: Food and education/learning about food
 - Area 3: Food purchased by Southwark Council

¹ 14.2% of children are obese by reception year, increasing to 26.6% of children by Year 6 (aged 10 and 11).

Area 4: Business, retail and enterprise support

Area 5: Food at home

Area 6: Food culture and diversity

15. This multi-themed approach is seen as good practice and has been used in other boroughs. It adopts a holistic approach to food, mirroring the broad scope of this subject and the impacts outlined in the Council Assembly motion of April 2009 in concrete actions. The Council is currently looking into reintroducing free primary school meals as part of its commitment to the aim of encouraging healthy eating including in schools, and is introducing a six month food waste recycling pilot for 10,000 Southwark households.

Initial response to Scrutiny Sub-Committee B proposals

16. The initial response to Scrutiny Sub-Committee B 19 proposals in their March 2010 report are as follows:

Southwark's approach	
1. Southwark should seek to create a partnership steering group of interested parties to help develop, monitor and implement the food strategy.	Agreed – Links have been made with Southwark PCT as well as links and initial consultation with the following LBS teams: Food Team, Air Quality, Children's Services, Community Engagement, Economic Development, Facilities Management, Housing Management, Leisure and Sports, Markets and Street Trading, Parks and Open Spaces, Planning, Sustainable Services, Waste Management, Transport Policy
2. Southwark should seek to identify a food champion to promote and drive forward the strategy.	Agreed – Cllr Hargrove and Gill Davies
3. The strategy should be accompanied by a clear, realistic and costed action plan that should be regularly reviewed.	Agreed
Improving the health and reducing the health inequalities of people living and working in Southwark	
4. It is essential that any food strategy should be jointly prepared by the PCT and Southwark Council as a factor in reducing health inequalities in the borough.	Agreed – Working approach to be developed with relevant partners
5. In order to give the required level of strategic leadership, the joint Council/PCT board should consider this report and agree a timetable for developing a strategy, we suggest within the next six months.	Agreed - Timetable proposed
Reducing poverty and deprivation	

Southwark's approach	
6. Southwark should consider a programme of promotional materials and cookery demonstrations that can help address the lack of knowledge about cooking and nutrition. This could seek to make links with supermarkets, high street shopping centres and street markets across the borough.	These options will be considered as part of a wider strategy and subject to budget availability
Reducing the negative environmental impacts of Southwark's food system	
7. Southwark should seek to work with 'Veolia' (The Council's waste sub contractors) to introduce food waste collection as early as possible and before the current target date of 2015.	Agreed - A six month pilot is starting in October 2010 to trial food waste collection in 10,000 Southwark households.
8. There should be more promotion of home composting to increase the numbers of bins distributed and used.	Agreed - Home composting is promoted as part of Southwark's Waste Minimisation strategy.
9. Southwark should continue to make strides to widen the types of food packaging collected making particular efforts to provide facilities for tetrapaks/liquid board packaging.	Agreed - Sustainable services is exploring ways to do this with Veolia.
10. Southwark should consider how it can positively encourage the collection of food waste from commercial premises.	Agreed – This will be considered as part of the wider strategy
Supporting a vibrant food economy	
11. Southwark should promote and encourage street markets, seeking to expand the hours of operation of existing markets and introduce new food markets where possible.	This is considered in the Southwark Market strategy on this agenda.
12. Southwark should continue to use its planning policies to promote and enhance local shopping parades.	Agreed - This will be considered as part of a wider strategy, including a focus on fast food premises and schools. The emerging Core Strategy continues the commitment to protect and promote shopping parades through the Southwark Plan. Detailed policy will be developed on managing the mix and location of restaurants, bars and fast food takeaways.
Celebrating and promoting Southwark's food culture	
13. The Council should undertake a campaign of sustainable food awareness.	This will be considered as part of the communications strategy subject to available budget.
14. The council should seek to use its own purchasing power, particularly in the new Tooley street contract to ensure: <ul style="list-style-type: none"> • The provision of Fair trade food • The use of sustainable food supplies, minimisation of packaging and recycling • The use of local providers and supply chain • The provision of healthy food choices • The provision and promotion of vegetarian and vegan options • That food supplies reflect the diversity of Southwark 	Agreed – Southwark is a Fairtrade Borough. The Camden Society (Tooley St café contract) provides a daily vegetarian meal option and regular initiatives to promote healthy eating. All ingredients are ethically sourced.

Southwark's approach	
Enhancing Southwark's food security	
15. Members felt very strongly that the council must continue to use its planning policies to ensure adequate provision of outdoor space is provided in both private and public areas.	Policy SP15 of the Southwark Plan states that all developments should, where appropriate create, preserve and enhance open spaces, green corridors, traffic free routes and biodiversity. This policy will be taken forward through the Core Strategy. Detailed development standards and policies will be developed, and supported by an up to date Open Spaces Strategy.
16. Developments should seek to design outdoor space to be used flexibly, maximising the ability of the community and individuals to use outdoor space for growing food.	The emerging Core Strategy promotes open spaces and green corridors, and Strategic Policy 11 proposes to clarify our approach to local food production. Forthcoming detailed development standards and policies on outdoor space will include food growing. Voluntary and community sector groups will continue to be encouraged to submit bids to CGS for food growing initiatives, supported by grant funding where possible.
17. Council owned land, housing and parks land in particular present ample opportunity for more creative use of open space to provide allotments and orchards. A comprehensive programme to identify and encouraging the conversion of such land for active food use should be developed.	The Southwark Plan and emerging core strategy support opportunities for using open spaces for food production where appropriate. Planning, public realm and housing management will work to identify and support opportunities for food growing. The Parks business unit will identify opportunities for food growing within parks where appropriate.
Encouraging healthy eating in schools	
18. The use of the curriculum to understand food and encouraging gardening and growing food particularly in primary school	Agreed - Teaching resource, funding and garden supply/ support information is already on the Southwark website, complimented by the Eco-schools programme.
19. Southwark would need to get a better picture of precisely what is going on in its schools with a view to adopting an aspiration of achieving the provision of universal free school meals.	Provision of free primary school meals is being considered by the Cabinet

Proposed approach for development of food strategy

17. It is proposed that the strategy:
- outline what is already being done in the borough
 - capture strategic actions, and
 - contain a detailed action plan with mechanisms to implement/monitor progress eg steering group or 'Food board'.
18. It is proposed that there be a consultation (including with Southwark PCT) with a select group of external stakeholders eg allotment interests. It is proposed that the cabinet member for Environment, transport and recycling and the SSEP partnership take responsibility for guiding, implementing and monitoring the strategy.

Proposed schedule for food strategy

19. The proposed schedule for the development of the food strategy is as follows:

	Due date	
Set up steering/working group - Chair: Gill Davies/Cllr Hargrove - PCT - Food Team, Children's Services, Economic Development, Housing Management, Leisure and Sports, Markets and Street Trading, Parks and Open Spaces, Planning, Sustainable Services - Third sector parties	September	Lead: E&H Director's office
Draft food strategy - Free schools meals section	September/ October	Lead: E&H Director's office
		Lead: Children's services
Select public consultation - Interested parties based on recommendation by steering group and in consultation with community engagement team	October/November	Lead: E&H Director's office and Community consultation team
Final draft for Cabinet	November/December	Lead: E&H Director's office

Policy implications

20. The proposed food strategy will support key themes of health and/or sustainability contained in the core strategy, the Southwark Plan and other relevant planning policy where it may impact on open spaces, and other policies relating to waste, healthy weight, children and young people and sustainability.

Community impact statement

21. The proposed food strategy will set out a framework and priorities for Southwark Council's food related activity.

22. The objectives of the strategy have the potential to address inequalities around health, poverty and deprivation, increase the standards of Southwark's food industries and enhance the overall experience of food consumers. Individual decisions in this report will need separate and more detailed analysis of the equalities impacts.

Resource implications

23. Adoption of this strategy proposal does have resource implications for specific items which would need to be contained within existing budgets or have specific funding allocated. At this stage detailed proposals would be impractical as this report is only asking for initial decisions.

Finance implications

24. As this report is purely recommending a process for agreeing the food strategy there are no financial implications. However once the strategy is formulated full costings will need to be provided and resources identified and approved.

Legal implications

25. The London Food Board was established in 2004 with the aim of improving Londoners' access to healthy, locally produced and affordable food. The Mayor's Food Strategy, launched in May 2006 with the aim of delivering these improvements by 2016, identified six areas for action, namely ensuring commercial vibrancy, securing consumer engagement, leveraging the power of procurement, developing regional links, delivering healthy schools and reducing food-related waste and litter.
26. The coalition's *Programme for Government* published in May 2010 includes commitments to ensuring that food procured by government departments and the public sector meets British standards of production in a cost effective way and encouraging Councils to work towards a 'zero waste economy' by reducing littering and paying people to recycle.
27. Southwark Council's proposed Food Strategy is a joint initiative with the PCT which is intended to incorporate and implement these principles. In so doing it will impact on a wide range of Council functions and departments. Certain of the proposals will or may have legal implications depending on the precise nature of their proposed implementation. Food outlets and street markets are subject to licensing regimes and inspections. Planning considerations and environmental legislation, in particular any restrictions on the use of 'brown field sites' for food production, will inform decisions as to the suitability of proposed sites for allotments, as will appropriate measures to control vermin on such sites, in particular rats, mice, foxes and pigeons.

Consultation

28. Consultation with the PCT and relevant internal teams including:
- Food Team, Children's Services, Economic Development, Housing Management, Leisure and Sports, Markets and Street Trading, Parks and Open Spaces, Planning, Sustainable Services

29. Select public consultation with interested parties based on recommendations by the food strategy steering group and in consultation with the community engagement team.

APPENDICES

No.	Title
1	Council Motion - A Borough-Wide Food Strategy
2	Scrutiny Sub-Committee B Food Strategy Review Recommendations to Southwark's Executive

AUDIT TRAIL

Cabinet Member	Transport, Environment and Recycling	
Lead Officer	Gill Davies, Strategic Director of Environment and Housing	
Report Author	Kayte Fairfax, Research & Projects Manager, E&H	
Version	Final	
Dated	7 September 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Environment and Housing	Yes	Yes
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	9 September 2010	

Cabinet Report – 21 September Southwark Council Food Strategy

APPENDIX 1 - Council Motion - A Borough-Wide Food Strategy

A Borough-Wide Food Strategy

At council assembly on Wednesday April 8 2009 a motion on a borough-wide food strategy was proposed by Councillor Jenny Jones and seconded by Councillor Richard Thomas. The motion was subsequently amended and the amended motions stands referred to the executive as a recommendation.

Recommendation

1. That council assembly:
 - a) Notes the vitality, vibrancy and diversity of Southwark's food industries and cultures.
 - b) Notes that the production, processing and manufacturing, transport, storage and distribution, sale, purchasing, preparation, consumption and disposal of food within and beyond Southwark has significant implications for health, environmental, economic, social/cultural and security issues across the borough.

2. That the council notes the value of allotments to the production of sustainable and healthy and local food in the borough, and asks the executive to adopt the following action:
 - a) Improve the quality of information available to residents, by improving the council's website.
 - b) Look for ways to increase the borough's allotments, as some of the allotments in the borough are on waiting lists only.
 - c) Engage with the London Food Board to look at practical ways in which food can be grown sustainably.
 - d) Provide an undertaking that the council will not close any allotments, and ensure rents are affordable by the many, not the few."

3. That this council therefore invites the executive to undertake the development of a borough wide food strategy with a view to:
 - a) improving the health and reduce the health inequalities of people living and working in Southwark
 - b) reducing poverty and deprivation
 - c) reducing the negative environmental impacts of Southwark's food system
 - d) supporting a vibrant food economy
 - e) celebrating and promoting Southwark's food culture
 - f) enhancing Southwark's food security
 - g) encouraging health eating in schools.

4. That council assembly asks the executive to report back to council assembly within 6 months on progress in developing the strategy.

Cabinet Report – 21 September Southwark Council Food Strategy

APPENDIX 2 - Scrutiny Sub-Committee B Food Strategy Review Recommendations to Southwark's Executive March 2010

Recommendation

Southwark's approach

1. Southwark should seek to create a partnership steering group of interested parties to help develop, monitor and implement the food strategy.
2. Southwark should seek to identify a food champion to promote and drive forward the strategy.
3. The strategy should be accompanied by a clear, realistic and costed action plan that should be regularly reviewed.

Improving the health and reducing the health inequalities of people living and working in Southwark

4. It is essential that any food strategy should be jointly prepared by the PCT and Southwark Council as a factor in reducing health inequalities in the borough.
5. In order to give the required level of strategic leadership, the joint Council/PCT board should consider this report and agree a timetable for developing a strategy, we suggest within the next six months.

Reducing poverty and deprivation

6. Southwark should consider a programme of promotional materials and cookery demonstrations that can help address the lack of knowledge about cooking and nutrition. This could seek to make links with supermarkets, high street shopping centres and street markets across the borough.

Reducing the negative environmental impacts of Southwark's food system

7. Southwark should seek to work with 'Veolia' (The Council's waste sub contractors) to introduce food waste collection as early as possible and before the current target date of 2015.
8. There should be more promotion of home composting to increase the numbers of bins distributed and used.
9. Southwark should continue to make strides to widen the types of food packaging collected making particular efforts to provide facilities for tetrapaks/liquid board packaging.
10. Southwark should consider how it can positively encourage the collection of food waste from commercial premises.

Supporting a vibrant food economy

11. Southwark should promote and encourage street markets, seeking to expand the hours of operation of existing markets and introduce new food markets where possible.
12. Southwark should continue to use its planning policies to promote and enhance local shopping parades.

Celebrating and promoting Southwark's food culture

13. The Council should undertake a campaign of sustainable food awareness.
14. The council should seek to use its own purchasing power, particularly in the new Tooley street contract to ensure:
 - The provision of Fair trade food
 - The use of sustainable food supplies, minimisation of packaging and recycling
 - The use of local providers and supply chain
 - The provision of healthy food choices
 - The provision and promotion of vegetarian and vegan options
 - That food supplies reflect the diversity of Southwark

Enhancing Southwark's food security

15. Members felt very strongly that the council must continue to use its planning policies to ensure adequate provision of outdoor space is provided in both private and public areas.
16. Developments should seek to design outdoor space to be used flexibly, maximising the ability of the community and individuals to use outdoor space for growing food.
17. Council owned land, housing and parks land in particular present ample opportunity for more creative use of open space to provide allotments and orchards. A comprehensive programme to identify and encouraging the conversion of such land for active food use should be developed.

Encouraging healthy eating in schools

18. The use of the curriculum to understand food and encouraging gardening and growing food particularly in primary school
19. Southwark would need to get a better picture of precisely what is going on in its schools with a view to adopting an aspiration of achieving the provision of universal free school meals.

Item No. 18.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Motions Referred from Council Assembly	
Ward(s) or groups affected:		All	
From:		Council Assembly	

RECOMMENDATION

1. That the cabinet consider the motions set out in the appendices attached to the report.

BACKGROUND INFORMATION

2. Council assembly at its meeting on Wednesday, 14 July 2010 agreed a number of motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motions referred to it. Any proposals in a motion are treated as a recommendation only. The final decisions of the cabinet will be reported back to the next meeting of council assembly. When considering a motion, cabinet can decide to:
 - Note the motion; *or*
 - Agree the motion in its entirety, *or*
 - Amend the motion; *or*
 - Reject the motion.

KEY ISSUES FOR CONSIDERATION

4. In accordance with council assembly procedure rule 2.9(6), the attached motions were referred to the cabinet. The cabinet will report on the outcome of its deliberations upon the motions to a subsequent meeting of council assembly.
5. The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and to the cabinet for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis.
6. Any key issues, such as policy, community impact or funding implications are included in the advice from the relevant chief officer.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Motions submitted in accordance with council assembly procedure rule 2.9(6).	160 Tooley Street London SE1 5LX	Lesley John Constitutional Team 020 7525 7228

APPENDICES

Number	Title
Appendix 1	Southwark's response to the emergency budget
Appendix 2	Publication of spending on goods and services over £500
Appendix 3	Southwark Park and the Olympics
Appendix 4	Southwark Capital Programme
Appendix 5	Nursery Row Park

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager	
Report Author	Lesley John, Constitutional Officer	
Version	Final	
Dated	13 September 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Finance Director	Yes	Yes
Strategic Director of Environment & Housing	Yes	Yes
Strategic Director of Regeneration & Neighbourhoods	Yes	Yes
Strategic Director of Communities, Law & Governance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	13 September 2010	

Southwark's response to the emergency budget

At council assembly on Wednesday 14 July 2010 a motion on Southwark's response to the emergency budget was moved by Councillor Peter John and seconded by Councillor Victoria Mills. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

Recommendation

1. That council assembly notes the unprecedented, game-changing cuts that government is making to public sector spending. It notes that local government will not be protected from those cuts and that, while we will know more after the comprehensive spending review in October, the council will face upwards of a 25% reduction in funding over the next five years.
2. That council assembly notes that the poorest Southwark residents and families will be hit hardest personally by the budget, with significant changes to:
 - Housing benefits
 - Tax credits
 - Child benefits
 - Disability Living Allowance
3. That it further notes the 2.5% increase in VAT, which as a deeply regressive tax will hit the poorest hardest, and will more than swallow up any savings Southwark residents make through changes to the income tax personal allowance and council tax freeze.
4. That council assembly notes the increase in VAT will lead to higher prices for goods and services; will have a disproportionate impact on pensioners and other low income groups; and will have a severe impact on businesses, charities and community groups in Southwark. It further notes the disproportionate effect of the budget on women and the disabled.
5. That council assembly notes the effect of the increase in VAT, when taken with other measures in the budget, will be unfair to pensioners, who have not had a compensatory increase in other benefits and allowances.
6. That council assembly notes that the way the VAT increase will affect pensioners and other low income groups runs counter to the Government's Coalition Agreement statement on 20 May 2010 that it would "ensure that fairness is at the heart of those decisions so that all those most in need are protected."

7. That council assembly notes the Institute of Fiscal Studies has stated the VAT increase was not "unavoidable," as the Chancellor of the Exchequer said in his budget speech."
8. That council assembly notes that these changes will take place at a time of rising unemployment and that the Office of Budget Responsibility's figures show that the actions in the budget itself will lead to weaker employment growth and more serious unemployment levels.
9. That council assembly notes that the cabinet has already committed to cutting waste and making efficiency savings, but that they will not be enough to prevent loss of services. It believes that the council will have to change the way it works by being innovative if we are to both continue delivering for Southwark residents and also try to meet the greater needs that the welfare reforms, VAT changes and persistent unemployment will cause in the community.
10. That council assembly further believes that meeting this challenge will require greater cooperation between the council, its neighbours, residents, businesses, local trade unions and stakeholders. It believes that the council's response will be stronger if local consensus can be achieved between the local parties wherever possible and resolves to go forward on that basis.
11. That council assembly therefore resolves to call on cabinet to open up the council's budget making process by finding innovative ways of involving residents in the tough choices that lie ahead and being honest with them about the scale of the challenge.
12. That council assembly resolves to call on the leader to write directly to the Chancellor of the Exchequer raising concerns about the impact of the proposed VAT increase on pensioners, other vulnerable groups and businesses in Southwark.
13. That council assembly resolves to call on the cabinet to write to members of parliament representing Southwark, asking that they stand up for Southwark's pensioners, businesses and wider community, to voice their opposition to this unfair increase in VAT.

Comments of the Finance Director

At the cabinet meeting of 20 July 2010 the cabinet resolved "That the finance director be instructed to put together plans for approval by the leader and cabinet member for finance and resources, for public consultation in the autumn on the impact of the emergency budget over the next four years on the council to seek the community's views on their priorities for services and savings."

Publication of spending on goods and services over £500

At council assembly on Wednesday 14 July 2010 a motion on the publication of spending on goods and services over £500 was moved by Councillor Lewis Robinson and seconded by Councillor Toby Eckersley . The motion was agreed and stands referred to the cabinet as a recommendation.

Recommendation

1. That council assembly notes the cabinet resolution of 15 June 2010 in which it states it will "Open up the budget making process for public scrutiny so we make better decisions."
2. That in light of this commitment to the residents of Southwark, council assembly requests the cabinet to bring forward proposals, as requested by the secretary of state for communities and local government to make details of spending on all goods and services over £500 for the public to see and scrutinise.
3. That council assembly believes that local people should be able to hold politicians and public bodies to account over how their hard earned cash is being spent, and welcomes these proposals, following the coalition government's own commitment demonstrated by the online publication of the COINS database, and urges the cabinet to follow this example.
4. That council assembly notes that by September, councils will be expected to make these details available and should be doing this as a matter of course by the start of next year and request the cabinet to take the appropriate steps to meet this deadline.

Comments of the Finance Director

This council is committed to publishing this information each calendar month.

We intend to exclude information on salaries and transfer payments (e.g. housing benefit payments) and other payments which are not related to supplies and services.

We recognise that we will need to undertake additional checks each month to ensure all transactions are included, e.g. any foreign payments and manual cheques which may be processed differently from the normal accounts payable cheque runs.

Southwark Park and the Olympics

At council assembly on Wednesday 14 July 2010 a revised motion on Southwark Park and the Olympics was proposed by Councillor Columba Blango and seconded by Councillor Wilma Nelson. The revised motion was agreed and stands referred to the cabinet as a recommendation.

Recommendation

1. That council assembly notes the quashing of the council's planning permission for the refurbishment of the sports and athletics facilities at Southwark Park.
2. That council assembly notes the public statement of 'disappointment' by the leader at this setback, and that securing an Olympic legacy for Southwark remains a priority for the council.
3. That council assembly calls on the cabinet member for culture, leisure, sport and the Olympics to make all efforts to make a decision on the submission of a new application to allow the possibility of the project being delivered in time for the Olympics

Comments of the Strategic Director of Environment & Housing

The quashing of the planning consent for Southwark Park Athletics Stadium is extremely unfortunate and is based on a technicality rather than a substantive fault with the scheme. Unfortunately, Sport England has now informed the council that funding to provide support to the restoration of the facility is no longer available. Officers are now looking into the implication of the decisions and exploring all possible alternative funding streams to see how the project can be progressed, and what in technical terms needs to be done in respect of the planning permission application.

Southwark's Capital Programme

At council assembly on Wednesday 14 July 2010 a motion on Southwark's capital programme was moved by Councillor Anood Al-Samerai and seconded by Councillor Paul Noblet. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

Recommendation

1. That council assembly notes that in the budget on Tuesday 22 June, the Chancellor of the Exchequer specifically excluded capital spending from budget reductions and said he wished to focus on capital "projects with a significant economic return to the country".
2. That council assembly believes that this announcement allows Southwark to make progress on delivering a variety of capital projects that will bring significant economic benefits to the borough and more widely across London. By continuing to invest in major capital schemes the council will ensure the borough's residents have access to affordable housing, libraries, leisure centres, schools and sporting and youth facilities fit for the 21st century.
3. That council assembly supports the new administration's view that the capital programme is of such strategic importance that it should be discussed and approved by the full council assembly.
4. That council assembly therefore also supports the proposal set out in item 5.2 (the report on constitutional changes) of this meeting's agenda that the cabinet submit the capital programme to council assembly for their approval once every four years and requests that cabinet submit a revised programme to council assembly for approval during 2010.
5. That council assembly notes that the current capital programme, agreed on 9 February by the previous administration, made no commitment to fund refurbishment work of Seven Islands leisure centre. Instead it asked that the finance director provide more detailed options analysis and financial appraisals on the remaining bids received (including Seven Islands) for future consideration by the executive in the context of resources available and considering any additional resources which can be identified. The total costs for these bids totaled £115m, against a budget of £55.5m available.
6. That, however, council assembly also recognises the importance of Seven Islands leisure centre to a significant proportion of the borough and therefore asks the cabinet to consider carefully how its refurbishment could be funded through the capital programme.

7. That council assembly notes the report to the regeneration and leisure scrutiny sub-committee on 29 June identified that the Canada Water library will cost a further £0.5 million more than has been agreed in the capital programme as a result of the over-running of the construction phase of this project. Council assembly therefore asks cabinet to agree to this additional expenditure over and above the level of the commitment made by the previous administration so that this work can be completed.
8. That council assembly believes it is important that the capital programme demonstrates investment in all areas of the borough and not just one community council area. It therefore calls on cabinet to consider the needs of the whole borough in its revision of the capital programme before submitting it for approval to council assembly.

Comments of the Finance Director

A capital options paper will be submitted to cabinet in the autumn.

Comments of the Strategic Director of Environment and Housing

A capital bid has been submitted for Seven Islands Leisure Centre for consideration as part of the capital programme refresh in September 2010. Officers had previously submitted a funding bid to the DCMS Free Swimming Capital Fund for Seven Islands, having been successful with an earlier bid for Camberwell. Unfortunately, since submitting the bid, the government has closed this funding stream and no further projects will be funded.

Nursery Row Park

At council assembly on Wednesday 14 July 2010 a late motion on Nursery Row Park was moved by Councillor Martin Seaton and seconded by Councillor Helen Morrissey. The motion was agreed and stands referred to the cabinet as a recommendation.

Recommendation

1. That Nursery Row Park is currently protected as an open space and a site of importance for nature conservation under the category other open space in the Southwark Plan. Open spaces provide an essential amenity and recreational resource for people living and working in Southwark.
2. That council assembly notes that at council assembly on 4 November 2009 a decision on which sites to save from the Southwark Plan was taken and three sites on Nursery Row Park (including Sites 52P and 53P) were all saved for housing.
3. That council assembly also notes that sites 52P and 53P are no longer part of the development programme for the Elephant and Castle, therefore they are no longer contributing to delivery of the council's housing targets. It is also noted that the council owns the sites.
4. That council assembly therefore requests the cabinet member for regeneration and corporate strategy to write to the Secretary of State inviting him to revise the council's request to save council's housing sites by omitting sites 52P and 53P.
5. That council assembly notes that at this stage it is only possible to save or not save policies from the Southwark Plan and it is therefore not possible to amend the boundary of site 51P that also covers the Stead Street car park which is required for housing. Council assembly notes the commitment given by the cabinet member for regeneration and corporate strategy that the council will not build on any part of the park and calls on the cabinet member to take steps to provide additional planning policy protection to this remaining part of the park at the earliest possible opportunity.

Comments of the Strategic Director of Regeneration and Neighbourhoods

Nursery Row Park continues to be protected as an open space and a site of importance for nature conservation under the category other open space in the Southwark Plan. Open spaces provide an essential amenity and recreational resource for people living and working in Southwark.

The cabinet member for regeneration and corporate strategy wrote to the Secretary of State and asked him to direct us not to save the Southwark Plan sites 52P and 53P. The Secretary of State agreed to this and directed us not to save them as they are no longer part of the development programme for the Elephant and Castle and therefore they are no longer contributing to delivery of the council's housing targets.

This means that these sites will not be considered as allocated housing sites with a presumption for housing development if a planning application is submitted.

The cabinet member for regeneration and corporate strategy wrote to the Inspector of the core strategy to ask him to amend the boundary of Nursery Row park to include the former 52P and 53P so that these sites could be protected as open space. This would provide additional planning policy protection to this remaining part of the park at the earliest possible opportunity. We will find out if the inspector has amended the boundary in October. We are planning for additional protection of open spaces in a development plan document as a priority.

Item No. 19.	Classification: Open	Date: 21 September 2010	Meeting Name: Cabinet
Report title:		Appointments to Outside Bodies 2010-11 - South London Gallery Trustee Ltd	
Ward(s) or groups affected:		Boroughwide	
Cabinet Member:		Councillor Veronica Ward, Culture, Leisure, Sports and the Olympics	

FOREWORD – COUNCILLOR VERONICA WARD CABINET MEMBER FOR CULTURE, LEISURE, SPORTS AND THE OLYMPICS

1. The South London Gallery is of international importance in the contemporary art world attracting thousands of visitors each year to Camberwell. The South London Gallery has a long history of close connection with the Borough. Southwark makes a substantial grant to the Gallery each year. The Gallery is committed to Southwark demonstrated by the recent project working with families on the Sceaux Gardens Estate following the fire in Lakanal.

RECOMMENDATIONS

2. That the cabinet consider and agree to nominate three councillors to the South London Gallery Trustee Ltd, one from each political group for the 2010-11 municipal year.

BACKGROUND INFORMATION

3. Each year the council makes appointments / nominates individuals to outside bodies.

KEY ISSUES FOR CONSIDERATION

4. It is for the cabinet to make appointments to outside bodies in connection with the functions which are the responsibility of the cabinet (e.g. housing, education, social services, regeneration etc).
5. The council has appointed to the South London Gallery Trustee Ltd since October 2003, however this year it was indicated that appointments from the council were no longer necessary. The position on this has been clarified and the continuation of the appointment of councillors to this body is still required.

Legal implications

6. The role of the appointed councillors will be to act as Directors and Trustees of the board governing the affairs of the South London Gallery Trustee Ltd (the sole corporate trustee of the South London Fine Art Gallery and Library Trust) which operates the South London Gallery as a public contemporary art gallery. Southwark Council is a major funder of the Gallery but trustees are required under Charity Law to act solely in the best interests of the trust and are responsible for controlling the management and administration of the Charity in line with the Charities governing document.
7. Given the ongoing relationship with the council some conflicts of interests may arise

both when the members are sitting on the trust, and in their role as councillor, and they will need to take appropriate steps to address these as they arise.

Community impact statement

8. The council is considering nominations to the South London Gallery Trustees Ltd. The nominations process has no direct impact on the community.

Consultation

9. The political group whips have been consulted on the issues contained in the report and have been invited to submit nominations.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Executive Report – 7 October 2003 (Nomination of Southwark Council Representatives to SLG Trustee Ltd)	160 Tooley Street London SE1 2TZ	Everton Roberts 020 7525 7221

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Veronica Ward, Cabinet Member for Culture, Leisure, Sports and the Olympics	
Lead Officer	Ian Millichap, Constitutional Team Manager	
Report Author	Everton Roberts, Constitutional Officer	
Version	Final	
Dated	13 September 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
Date final report sent to Constitutional Team	13 September 2010	

CABINET AGENDA DISTRIBUTION LIST**MUNICIPAL YEAR 2010-11**

NOTE: Original held by Constitutional Team; all amendments/queries to
Paula Thornton/Everton Roberts Tel: 020 7525 4395/7221

To	Copies	To	Copies
Cabinet Members	1 each	Officers	
P John / I Wingfield / F Colley / D Dixon-Fyle / J Friary / B Hargove / R Livingstone / C McDonald / A Mohamed / V Ward		Constitutional Team, Tooley Street	4
		Doreen Forrester-Brown	1
Other Councillors	1 each	Trade Unions	
N Coyle / T Eckersley / G Edwards / D Hubber / M Glover / T McNally / H Morrissey / P Noblet / E Oyewole / L Rajan / A Simmons / L Robinson		Roy Fielding, GMB	1
		Mick Young, TGWU/ACTS	1
		Euan Cameron, Unison	1
		Tony O'Brien, UCATT	1
		Michael Davern, NUT	1
		James Lewis, NASUWT	1
		Pat Reeves, ATL	1
		Sylvia Morriss, NAHT	1
		Irene Bishop, ASCL	1
Political Assistants		Others	
John Bibby, Labour Group Political Assistant	1	Shahida Nasim, Audit Commission	1
Dan Falchicov, Liberal Democrat Group Political Assistant	1	Robin Campbell, Press Office	1
		Constitutional Officer	20
Press		Total:	64
Southwark News	1		
South London Press	1		
Members of Parliament			
Harriet Harman, MP	1		
Tessa Jowell, MP	1		
Simon Hughes, MP	1		
Corporate Management Team			
Annie Shepperd	1		
Romi Bowen	1		
Deborah Collins	1		
Gill Davies	1		
Eleanor Kelly	1		
Richard Rawes	1		
Susanna White	1		
Duncan Whitfield	1		
		Dated: 27/07/10	