

## Cabinet

Tuesday 23 November 2010  
4.00 pm  
Town Hall, Peckham Road, London SE5 8UB

### 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

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### Contact

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

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Members of the committee are summoned to attend this meeting

**Councillor Peter John**

Leader of the Council

Date: 15 November 2010



Item No.

Title

Page No.



## Cabinet

Tuesday 23 November 2010  
4.00 pm  
Town Hall, Peckham Road, London SE5 8UB

### 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.

#### **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.

Item No.	Title	Page No.
5.	<b>MINUTES</b>	1 - 8
	To approve as correct records the minutes of the open section of the meetings held on 19 October and 2 November 2010.	
6.	<b>OUTCOME OF THE FINAL CONSULTATION PROCESS ON THE PROPOSED MERGER OF SURREY SQUARE INFANT AND JUNIOR SCHOOLS TO CREATE SURREY SQUARE PRIMARY SCHOOL</b>	9 - 12
	To agree to close Surrey Square Infant school and to expand the age range of Surrey Square Junior School from the current age of 7 to 11 to 3 to 11 from 3 January 2011 to create Surrey Square Primary School.	
7.	<b>CHANGES IN THE NATIONAL HEALTH SERVICE (NHS) AND IMPLICATIONS FOR SOUTHWARK COUNCIL</b>	13 - 22
	To note the changes planned and taking place in the NHS at national, regional and borough level and the implications for the Council's arrangements for partnership working with the health sector in Southwark.	
	To agree that the cabinet member for health and adult care oversee a programme of work to implement the legislation that will follow the NHS White Paper and respond to the future government publications anticipated on public health and adult social care.	
8.	<b>ADOPTION OF REFRESHED SOUTHWARK ECONOMIC DEVELOPMENT STRATEGY 2010-16</b>	23 - 87
	To approve and adopt the revised Southwark Economic Development Strategy 2010/2016 and to adopt the revised strategy as the borough's local economic assessment in response to the local authority economic assessment duty.	
9.	<b>CAPITAL PROGRAMME 2010-19 QUARTER 2 MONITORING REPORT</b>	88 - 105
	To note the current monitoring position for the capital programme 2010/11 – 2018/19 for both the General Fund and Housing Investment Programme and to approve the addition of budgets into the programme.	
	To note and approve the reprofiling of spend and resources in the 2010-19 general fund capital programme.	
10.	<b>REVISED OFFICE ACCOMMODATION STRATEGY</b>	106 - 128
	To agree the principles to be applied when planning for the council's office accommodation needs and to approve the components of the strategy.	

Item No.	Title	Page No.
11.	<b>ELEPHANT AND CASTLE – PROVISION OF A NEW LEISURE FACILITY</b>	129 - 158

To note the outcome of the consultation process, the proposed provisional budget for the Elephant and Castle Leisure Centre and to agree the project mandate for the redevelopment of the leisure centre site in line with the principles set out in the report.

12.	<b>MOTIONS REFERRED FROM COUNCIL ASSEMBLY</b>	159 - 165
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To consider motions referred from the 20 October council assembly on the following:

- Free school breakfasts
- Labour's record in office so far the Liberal Democrats' broken election promised
- Thames Water sewage tunnel
- Comprehensive spending review

13.	<b>NOMINATION TO ADOPTION PANEL AND APPOINTMENTS TO GROUNDWORK BOROUGH STEERING GROUP 2010-11</b>	166 - 168
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To agree to nominate a new councillor representative to the Adoption Panel for the remainder of the 2010-11 and further appointments to the Groundwork Borough Steering Group.

#### **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. “

**Item No.**

**Title**

**Page No.**

**PART B - CLOSED BUSINESS**

**14. REVISED OFFICE ACCOMMODATION STRATEGY**

To consider the closed information relating to the revised office accommodation strategy.

**15. ELEPHANT AND CASTLE – PROVISION OF A NEW LEISURE FACILITY**

To consider the closed information relating to the provision of a new leisure facility at Elephant and Castle.

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

Date: 15 November 2010



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 19 October 2010 at 4.00 pm at Town Hall, Peckham Road, London SE5 8UB

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

### 1. APOLOGIES

There were no apologies for absence.

### 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:

Item 10 - Report of Stage 1 of the Democracy Commission

### 3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

The following personal and prejudicial interests were declared in respect of item 7, Creation Trust, Approval of Finance to Support its Business Case for 2011/12:

- Councillor Fiona Colley as Chair of the Creation Trust
- Councillor Abdul Mohamed as a trustee of the Creation Trust

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

There were no public questions.

## 5. MINUTES

### RESOLVED:

That the open minutes of the meeting held on 21 September 2010 be approved a correct record and signed by the Chair.

## 6. DEPUTATION REQUESTS

Comments of the strategic director of housing and environment were circulated in respect of deputation requests from the Four Squares tenants and residents association and Dulwich Park Friends.

The Chair of Dulwich Park Friends requested a deferral of their deputation request prior to the meeting.

### RESOLVED:

That the deputation request from the Four Squares tenants and residents association be heard.

The spokesperson for the Four Squares tenants and residents association deputation addressed the meeting requesting that security works be completed on the estate at two of the remaining blocks (Marden and Layard Square). He highlighted the negative impact of the unfinished work on local residents and tenants. The quality of life for the residents is being severely limited as a result of widespread crime and anti-social behaviour. The deputation circulated a number of documents including pictures illustrating some of the problems being experienced.

Councillor Anood Al-Samerai, local ward councillor was in attendance and spoke in support of the issues raised by the deputation emphasising the exceptional nature of the problems experienced by local tenants and residents on the Four Squares Estate and the need for these security works to be completed.

## 7. CREATION TRUST - APPROVAL OF FINANCE TO SUPPORT ITS BUSINESS CASE FOR 2011/12

At this juncture, having declared a personal and prejudicial interest, Councillors Fiona Colley and Abdul Mohamed left the meeting room during consideration of this item.

### RESOLVED:

1. That Creation Trust's business plan for the current financial year (2010/11) be approved.
2. That the council enter a one-year funding agreement with Creation Trust incorporating the terms set out in the report and delegate authority to the strategic

director for regeneration and neighbourhoods to finalise the terms of and complete the funding agreement (Appendix 1 of the report) and the following be approved:

- The release of up to £187,000 in funding in support of the 2010/11 business case covering the first three quarters of the current financial year; and
  - Subject to the completion of the funding agreement, funding for the fourth quarter (up to £63,000), providing Creation Trust complies with the terms of the funding agreement and demonstrates satisfactory progress executing its business proposals for 2010/11.
3. That the strategic director for neighbourhoods and regeneration meet with the Director of Creation Trust annually, prior to the submission of any subsequent funding request to the council, in order to review Creation Trust's work programme going forward to ensure that its business plan:
- Does not contain any projects that seek to duplicate existing council services and/or council sponsored services
  - Contains projects that demonstrably add value to the council's objectives for the Aylesbury Estate.
4. That council officers report back to cabinet in February 2011 following their review of Creation Trust's work programme (business plan) for 2011/12.

#### **8. JOAN STREET CAR PARK, LONDON SE1 8DA - DISPOSAL OF COUNCIL LAND**

At this juncture Councillors Fiona Colley and Abdul Mohamed returned to the meeting.

##### **RESOLVED:**

1. That approval be given for the disposal of council land at Joan Street, shown hatched and edged in black on the plan at Appendix 1 of the report ("the Site"), to Northstar or their nominated company by way of freehold and on the terms outlined in the closed report.
2. That the head of property be authorised to agree any minor variations to contractual terms.
3. That the capital receipt from the sale of the property be allocated to the council's capital programme.

#### **9. LAND AT ROTHERHITHE STREET/SALTER ROAD SE16**

##### **RESOLVED:**

1. That a surrender of the lease from the Dockland Settlements of the land shown shaded orange on the plan at Appendix 1 of the report be accepted.



2. The a long lease of the land shown shaded green and orange on the same plan be granted to the Dockland Settlements to enable the regeneration of the larger site shown shaded orange, green and blue to take place.
3. That authority be delegated to the head of property to agree detailed terms for the agreement to effect the regeneration.

#### **10. REPORT OF STAGE 1 OF THE DEMOCRACY COMMISSION**

This item had not been circulated 5 clear days in advance of the meeting. The chair agreed to accept the item for reasons for urgency as the decisions required could not wait until the next meeting of cabinet due to take place on 2 November 2010. The cabinet is due to consider a report on the council's future accommodation strategy in November and this item will need to be informed by decisions made by the democracy commission that will have a bearing on future accommodation requirements.

Councillor Abdul Mohamed presented the democracy commission report and recorded his thanks for the work undertaken by members and officers on the commission.

#### **RESOLVED:**

That the recommendations of the democracy commission set out in appendix 4 to the report be endorsed by cabinet.

**NOTE:** The report and recommendation will be considered by council assembly on 20 October 2010.

#### **EXCLUSION OF THE 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 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.

#### **11. JOAN STREET CAR PARK, LONDON SE1 8DA - DISPOSAL OF COUNCIL LAND**

The cabinet considered the closed information relating to Joan Street Car Park report. See item 8 for decision.

**12. LAND AT ROTHERHITHE STREET/SALTER ROAD, LONDON SE16**

The cabinet considered the closed information relating to Land at Rotherhithe Street/Salter Road, London SE16 report. See item 9 for decision.

The meeting ended at 5.10pm

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 27 OCTOBER 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 Cabinet held on Tuesday 2 November 2010 at 10.00 am at 160 Tooley Street, London SE1 2TZ

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

### 1. APOLOGIES

Apologies for absence were received from Councillor Dora Dixon-Fyle.

### 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:

Item 5 – Comprehensive Spending Review Update

### 3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interest or dispensations.

### 4. AYLESBURY REGENERATION - PHASE 1: SITES 7 & 10 REVISED DELIVERY ROUTE

The strategic director of communities, law and governance's representative informed the meeting that the last bullet point of paragraph 34 of the report should be deleted.

**RESOLVED:**

1. That Aylesbury sites 7 and 10 be offered on the open market with a view to securing one or more regeneration partners for their regeneration in accordance with the Aylesbury Area Action Plan.
2. That officers report back to cabinet following marketing and subsequent bid appraisals with recommendations on the regeneration partner and the principal contractual structure for the transfer of the sites.

**5. COMPREHENSIVE SPENDING REVIEW UPDATE**

This item had not been circulated 5 clear working days in advance of the meeting. The chair agreed to accept the item as urgent due to the significant impact of the Spending Review 2010 on the council's budget and resource planning process.

**RESOLVED:**

1. That the headline content of the Spending Review (SR) 2010 for local government be noted.
2. That the ongoing work to assess the implications of the SR specifically for Southwark be noted.
3. That the budget principles agreed by cabinet in September continue to guide and underpin the work of officers in arriving at a balanced budget in February 2011.
4. That officers continue to work on budget options, particularly in line with the earlier instruction from cabinet in July following the national emergency budget.
5. That strategic directors incorporate into budget options any specific implications from the SR as such details emerge from government.
6. That the finance director present a further report later in the autumn following the publication of the provisional local government settlement by the Department for Communities and Local Government (DCLG).
7. That officers provide further information to voluntary sector providers and other stakeholder groups on the outcome of the SR, especially in respect of grants.
8. That subject to appropriate analysis, officers seek further advice as to whether there is any legal basis upon which to challenge the government on the consequences of any aspect of the spending review that may have a disproportionate detrimental impact on Southwark's residents.
9. That cabinet write to all local MPs inviting them to a briefing and urging them to press ministers for clarity in the financial settlement which Southwark is to receive at the earliest opportunity, and to set out the impact on the Council's funding and residents of all changes including those to housing finance.

10. That cabinet work with other London councils to lobby the government for reform of the four block model to accurately reflect the costs facing London boroughs including the maintenance of the floor.

The meeting ended at 10.52 am.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, TUESDAY 9 NOVEMBER 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.**

<b>Item No.</b> 6.	<b>Classification:</b> Open	<b>Date:</b> 23 November 2010	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Outcome of the final consultation process on the proposed merger of Surrey Square Infant and Junior schools to create Surrey Square Primary School	
<b>Ward(s) or groups affected:</b>		East Walworth	
<b>Cabinet Member:</b>		Councillor Catherine McDonald, Children's Services	

## **FOREWORD – COUNCILLOR CATHERINE McDONALD, CABINET MEMBER FOR CHILDREN'S SERVICES**

1. This report asks the Cabinet to approve the closure of Surrey Square Infant school and the expansion of the age range of Surrey Square Junior School from the current age range of 7 to 11 to age 3 to 11 from January 3 2011.
2. The recommendation has the principal benefit to the local authority and the local community that it will create a new Surrey Square Primary school that will accommodate all the pupils currently at Surrey Square Infant and Junior Schools. In addition there will be financial savings and the merger will simplify the pathways and process from infant to junior.
3. I have looked at the statutory process that has been undertaken and am satisfied that all the education stakeholders have been given the opportunity to comment on the proposed changes.
4. The consultation period finished on 12 October 2010 and the authority needs to make a decision before 12 December 2010, therefore it is important that the Cabinet considers the proposal at its 23 November meeting.
5. The proposal makes good sense for the authority, the schools and the local community and I am therefore asking the Cabinet, after consideration of the officers' report set out from paragraph 7 onwards to approve the recommendation set out below; in the light of the outcome of the consultation process the recommendation to Cabinet is the best action to take.

## **RECOMMENDATION**

6. Cabinet agrees to close Surrey Square Infant school and to expand the age range of Surrey Square Junior School from the current age range of 7 to 11 to age 3 to 11 from January 3 2011.

## **BACKGROUND INFORMATION**

7. The governing bodies of Surrey Square Infant and Junior Schools agreed in March 2010 to initial consultation on the proposal to merge the two schools by closing Surrey Square Infant School and expanding the age range of Surrey Square Junior School from January 3 2011.
8. Following the initial informal consultation stage, the schools' governing bodies formally considered the outcome of initial consultation in June 2010 and agreed to the publication of

the required statutory notice.

9. The formal statutory process for the closure of Surrey Square Infant School and extending the age range of Surrey Square Junior School has now been carried out and Cabinet are recommended to agree the proposals to create a merged Surrey Square Primary School.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

10. The governing bodies of these two Foundation schools reviewed the implications of merging their two schools and agreed that the proposal will have a huge impact on the quality of provision to the local community through a more cohesive approach to education and the services provided.
11. The positive impacts include, among others, that –
  - As a primary school they would be able to provide a more cohesive and joined up approach to learning for their pupils and they will be better able to ensure that children's progress is continuous, without the need for an additional transition in Year 2;
  - Pupils will benefit from the expertise of the staff across the school and it will be much easier for parents and carers to talk to, and get involved with, the school about their children's learning;
  - A single office and admin area will make it much less confusing for parents and staff alike;
  - The primary school will retain the current admissions criteria of the Infant school, and will remain as a Foundation school within the local authority of Southwark and pupils at the school currently would not need to re-apply for their place;
  - A single head teacher and staffing structure will be more efficient and ensure that the most is made of resources to ensure pupils' achievement.
12. Surrey Square Junior School is an outstanding Junior school. The school was judged to be outstanding during its last Ofsted inspection in November 2009. The expectation is that the new primary school will develop to this standard from the current good level in the Infant school (March 2010).
13. Following the initial consultation process, the school governing bodies had to publish a statutory notice which was displayed on the school gates and published in the local press. The detailed proposals were also sent to the authority and the Department. The outcome of this notice consultation is reported to the Cabinet for its decision.

### **Consultation**

#### Responses to the initial consultation process

14. In carrying out the initial consultation process on the proposed enlargement letters were sent to education stakeholders. The consultation period was from 11 May 2010 to 22 June 2010.
15. There were 59 responses to the initial consultation process. 45 responses from parents/carers, 8 responses from staff and 6 responses from other stakeholders, all in favour of the merger.

#### Responses to the statutory notice

16. There have been two responses to the publication of the statutory notice, both from local Headteachers confirming their support for the proposal. This low response rate is probably as a result of the initial consultation and the unanimous support for merging the schools into Surrey Square Primary School.
17. The two schools joint governing body considered the outcome of the statutory consultation stage on 13 October 2010 and confirmed their continuing support for the merger.

### **Community impact statement**

18. The stated aim of the Council is to ensure all parents have a choice of good schools. The merging of these two schools to create the Surrey Square Primary School will have this result.

### **Resource implications (CS0109)**

19. Schools are funded from the Dedicated Schools Grant, a ring-fenced grant that supports schools formula budgets and pupil-related central expenditure. For individual school budgets there are funding implications for schools that reorganise; for example, where a lump sum forms part of a grant or the formula budget; a single school will only receive one lump sum. The impact of this is mitigated through savings made operating as a single school. The staffing restructuring costs as a result of this reorganisation are shared by the school and the Dedicated Schools Grant allocation specified for this purpose.
20. Further, some assistance has been given to the school to carry out minor capital works in order to create a new entrance, as well as some other changes.

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

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

21. The Cabinet is being asked to agree to the closure of Surrey Square Infant School and expanding the age range of Surrey Square Junior School from age 7 to 11 to age 3 to 11 to create a merged Surrey Square Primary School from 3 January 2011.

#### Legislative Background

22. When considering the proposals outlined within the body of the document, the Cabinet should have regard to the Local Authority's general duties under the following legislation and ensure that the proposals are consistent so as to meet those duties, in particular, Section 14 of the Education Act 1996. This states that the council should consider whether it has sufficient schools, in number and character, to secure the education of all children's educational needs in the borough.

#### Factors to be taken into account by the Cabinet prior to implementation

23. The Cabinet must satisfy itself as to the adequacy of the Consultation. In doing so the Cabinet must be confident that the following issues have been fully considered:
  - (a) Has all the information been provided?
  - (b) Did the published notices comply with the statutory requirements?
  - (c) Are the proposals linked or related to other published proposals?



(d) Were the responses to the proposals fully considered and clear responses provided with reasons?

24. It is clear from the report that there have been extensive consultations which includes putting the proposals to parents, carers and staff of Surrey Square Infant and Junior Schools. These steps are in accordance with the provisions set out in the DfE Decision Makers' Guidance for making changes to schools and is compliant with legislation. All comments received were in favour of the merger.

#### Finance Director

25. The financial implications are as set out under resource implications.

#### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
DfE Regulations and Guidelines	Tooley Street	Martin Wilcox 020 7525 5018

#### APPENDICES

No.	Title
None	

#### AUDIT TRAIL

<b>Cabinet Member</b>	Catherine McDonald, Children's Services	
<b>Lead Officer</b>	Romi Bowen, Strategic Director of Children's Services	
<b>Report Author</b>	Martin Wilcox, Education Planning Officer	
<b>Version</b>	Final	
<b>Dated</b>	11 November 2010	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	11 November 2010	

<b>Item No.</b> 7.	<b>Classification:</b> Open	<b>Date:</b> 23 November 2010	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Changes in the NHS and Implications for Southwark Council	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Dora Dixon-Fyle, Health and Adult Social Care	

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

1. The changes currently mooted for the NHS by central government are amongst the largest and most significant for a decade. In addition, the decision to abolish NHS Southwark from April 2013 means that how primary healthcare is delivered and commissioned locally will change. What we don't know is how these changes will finally manifest itself as we are still keenly anticipating further White Papers and legislation from the Government.
2. What we do know is that the local authority will gain important new powers and that its role in health and health scrutiny will change, and that those changes will impact upon the residents of Southwark, one of the most diverse and poorest boroughs.
3. As one of the few local authorities in the country to have an integrated health and adult social care system how we react to those changes is critical. This report outlines how we will begin to prepare the council for its new role, it outlines some of the challenges that we face and how we propose to address them. This is the beginning of that journey.

**RECOMMENDATIONS**

**Recommendations for the Cabinet**

That the Cabinet:

4. notes the changes being planned and taking place in the NHS at national, regional and borough level and the continuing degree of uncertainty surrounding these developments.
5. notes the implications for the Council's arrangements for partnership working with the health sector in Southwark in both the shorter term transition period prior to the abolition of Southwark PCT in April 2013 and in the longer term.
6. welcomes the proposal from Southwark GPs to be considered as a GP consortium pathfinder and agrees to support them in this project.
7. agrees that the Council will undertake a due diligence exercise with the PCT to

clarify all current joint and shared arrangements between the two organisations through which their accountabilities are currently delivered, in consideration of the changes that are taking place in the health system.

8. notes that a team in the Council is leading work on considering all of the implications that are taking place in the health system.

### **Recommendations for the Leader of the Council**

That the Leader:

9. agrees that the Cabinet Member for Health and Adult Social Care will oversee a programme of work to implement the legislation that will follow the NHS White Paper and respond to the future government publications anticipated on public health and adult social care.

In particular it is noted:

- the abolition of all PCTs by April 2013
- the establishment of consortia of GPs to commission local NHS services
- the role of the Council at a local level, with new Health and Wellbeing Boards, to join up public health, GP consortia, childrens and adults social care

### **BACKGROUND INFORMATION**

10. The Government published the NHS White Paper *Equity and Excellence: Liberating the NHS* on the 21st July. The paper includes proposals to transfer public health functions to local authorities by April 2012, to abolish NHS Primary Care Trusts (PCTs) by April 2013 and, in their place, to establish consortia of GPs, and to set up new Health and Wellbeing Boards that will join up the commissioning of local NHS services, social care and health improvement. Since the publication of the NHS White Paper there have been two significant further developments in the health system for Southwark:

- The Strategic Health Authority, NHS London, have brought forward the requirement for London Primary Care Trusts (PCTs) to reduce their management costs by 54% by one year so that the whole reduction needs to be in place for April 2011.
- The chair of Southwark's Clinical Commissioning Board (CCB), Doctor Amr Zeineldine, has written to NHS London expressing the wish of Southwark GPs to be considered for Early Adopter status for GP commissioning. This proposal has been welcomed by King's Health Partners.

11. These developments in the health system do not change Southwark Council's statutory duties and powers regarding: the provision of information regarding non-residential care services, the assessment of people who may need social care services, and the provision of support to people whose assessed needs meet local eligibility criteria. In Southwark services are provided to those whose assessed needs are critical or substantial. The Council is also required to co-ordinate multi-agency adult safeguarding arrangements.

12. The Council takes its statutory duties very seriously and it is partly for this reason that the Council has placed considerable focus on adult social care at this time. Adult social care in Southwark is currently being transformed.
13. The implementation of the personalisation agenda, the work towards meeting the Putting People First (PPF) milestones, and a new focus on both preventing people from needing to go into long term care, but also reabling people who have been in care to return to living independently in their own homes, is changing the role of clients, families, carers and social workers in this service. A new team has been set up in Older Person's South (OPS) to assess clients for personal care budgets which means that a greater number of individuals in Southwark, the majority for the first time, will be able to create and choose their own care packages rather than have these set by the Council. A new dedicated telephone line for all queries about help for older and vulnerable people is also being set up. These changes take place against a background of budget cuts as set out in the Comprehensive Spending Review (CSR), and the need to find considerable savings in this, as in other areas, of the Council's budget.
14. The Council is also considering Sir Ian Kennedy's review *Getting it right for children and young people: overcoming cultural barriers in the NHS so as to meet their needs* which was carried out in response to widespread concerns about services provided to children and young people by the NHS and other organisations following a series of high profile tragic deaths including the death of Peter Connelly (Baby P) in 2007. This report sets out how services are not always meeting the needs of children and young people, and outlines the barriers that exist which prevent this. In particular the report looks at the culture of the NHS and how this contributes to the current system. The report is an opportunity for the Council to improve joint working between childrens and adults services and to develop improved services that support people's needs throughout life, and not on the basis of how old they are.

## **KEY ISSUES FOR CONSIDERATION**

### Adult social care context

15. The changes that are taking place in the NHS are occurring in a context in which the Council continues to have statutory duties in adult social care. Through the coming period of transition, the Council will need to continue to deliver health and wellbeing outcomes, and to ensure that adults in Southwark are safe from financial, physical and other forms of abuse.
16. In addition to these duties, and in order to implement the People First (PPF) milestones and personalisation agenda, and to undertake other work to improve the customer journey in this area, the Council has established a transformational programme in adult social care.
17. The implications of personalisation on adult social care commissioning are considerable. At present, the joint Council-PCT adult commissioning service is the largest spend area of the Council. The service is accountable for some of the largest contracts let by the Council including Homecare, residential care (including the commissioning of care homes), assisted technology, mental health services, Supporting People (SP) and welfare catering. In line with a shift to a more preventative model, the division has undergone a review to develop an increased focus on preventative services. However a model in which the Council

largely commissions and provides and individuals largely take up and use services will become increasingly out-of-place at a time when more clients are utilising personal care budgets. The Council recognises that, increasingly, individuals will be taking up the opportunity to choose their own care packages, and, in light of this, that the Council will need to start taking a different role in this area.

18. The Council also aims to shift the balance of care in Southwark, that is, to move away from a system where there is more intensive nursing and residential care and towards one where people are supported to remain living in their own homes. Currently 72% of the department's total health and social care budget is spent on residential placements including nursing and care homes. However, through the transformation programme, the Council is taking action to prioritise services that help to prevent people needing to go into long-term care in the first place, but also to improve services that help those people leaving hospital or care return to living independently in their own homes.
19. A fundamental action that is being taken is the mainstreaming of the reablement service, which provides earlier, targeted interventions for older people within their own homes and communities. Of those people completing the reablement service, 71% required no further support from the Council or NHS. These changes are the beginning in a change in the Council's role, away from being a provider of care for older and vulnerable people, and towards one that enables people to live more independently for longer.
20. Whilst undertaking this significant transformation, the Council is also considering the implications of Sir Ian Kennedy's review *Getting it right for children and young people*. This review highlights a national challenge in which, on turning 16 or 18, young adults in care are moved from a children's service provider to an adult's service provider, regardless of the individual's needs.

#### Southwark PCT

21. The Strategic Health Authority (SHA) in London, NHS London, has set out a requirement for a reduction of PCT management costs by 54% by one year so that the whole reduction needs to be in place for the financial year commencing in April 2011. This action is being undertaken in light of a deteriorating financial situation in the NHS in London. The definition of management costs in the NHS is complex, but includes the cost of the PCT Board (Executive and Non-Executive Members), all managers who report to Executive Directors, all corporate support, including finance, but also the Provider Services arm of the PCT (that is, health visitors, district nurses and school nurses). In Southwark this reduction is around 42% as management costs have been lower generally than in London. This would require a reduction for Southwark PCT from a baseline of £8.9million to £3.6million by April 2011.
22. A number of possibilities are being considered in order for the PCT to manage this reduction. One possibility is for the Southwark PCT management team to be merged with neighbouring PCTs in order to establish one management team in the South East London sector (or possibly in two clusters). Another possibility, which does not necessarily preclude the first, is for the transfer of some PCT functions to Southwark Council to manage. A further possibility is for the transfer of some PCT functions to other parts of the NHS including the acute trusts. The timescales to realise savings mean that there is a significant urgency in the

undertaking of this work.

23. These significant changes are occurring prior to new health legislation being passed. The NHS White Paper sets out a timetable for the abolition of PCTs by April 2013 and the establishment, in their place, of consortia of GPs who will commission the majority of NHS services. It is recognised that, even without the current uncertainties that exist with the reduction in management costs in Southwark PCT, that the forthcoming changes being introduced by the Government will impact on the current health arrangements in Southwark.
24. This level of unprecedented change in the NHS contains risks for the Council. The Council will continue to prioritise the delivery of its transformation programme in adult social care, while still being required to meet its statutory accountabilities. These responsibilities will best be delivered through close working with partners in health. Southwark Council currently has joint management and commissioning arrangements with the PCT, and these arrangements are the vehicle for the Council in the carrying out of its adult social care responsibilities, that is, in the safeguarding of vulnerable adults, and in the provision of health and wellbeing outcomes in the borough.
25. In order to respond to the level of change in the health system, it is recommended that the Council commences discussions with the PCT regarding all arrangements that exist between the two organisations. This work will consider all arrangements, which will be subjected to due diligence on an “open book” basis, in order to provide clarity to the system at a time of uncertainty. The Chief Executive of the PCT is providing the Council with a “letter of comfort” which will set out the PCT’s support for this exercise.
26. A team in the Council, comprising officers with expertise in adult social care, finance and corporate governance, is leading this work and will be undertaking a risk analysis of all arrangements.

#### GP Consortium

27. The NHS White Paper sets out proposals for the abolition of PCTs from April 2013. Local NHS commissioning will instead become the accountability of GP commissioning consortia, which it is envisaged will be placed on a statutory basis with powers and duties set out in primary and secondary legislation. The NHS White Paper sets out how GP consortia will be responsible for the commissioning of the great majority of NHS services.
28. Every GP practice will be a member of a GP consortium, and practices will have flexibility within the new legislative framework to form consortia in ways that they think will secure the best healthcare and health outcomes for their patients and locality.
29. On 21<sup>st</sup> October the Secretary of State for Health set out a programme to develop GP consortia pathfinders in order to support those GPs who wanted to develop consortia at the earliest possible stage. Even prior to this announcement, Doctor Amr Zeineldine, the chair of Southwark’s GP Commissioning Board wrote to NHS London expressing the wish of Southwark GPs to be considered for the early adoption of GP consortia in Southwark. Doctor Zeineldine’s proposal was welcomed by King’s Health Partners.

30. There is a strong expectation that Southwark GPs will be accepted as an early adopter of GP consortia. NHS London have set out that any GP practices that wish to join the programme will be able to, should they be able to demonstrate:
- Evidence of strong GP leadership and support
  - Evidence of Local Authority engagement or
  - An ability to contribute to the delivery of the QIPP (Quality and Productivity) agenda in their locality
31. The development of a strategic relationship between the Council and GP Practices will be a new arrangement. There are a number of opportunities with this, not least the local knowledge and understanding that GP Practices will bring in the development of health and wellbeing strategies and the delivery of excellent health outcomes in the borough.
32. The Cabinet Member for Health and Adult Care met with Doctor Amr Zeineldine in October to commence a discussion on how the Council and GPs could better work together.

NHS White Paper, Equity and Excellence: Liberating the NHS

33. The NHS White Paper sets out the new coalition Government's strategy for creating a National Health Service which "achieves results that are amongst the best in the world" and, following the recent consultation on this, the Government plans to introduce a Health Bill in Parliament in late 2010.
34. The proposals outlined in the NHS White Paper are the commencement of a timetable of reform in the NHS and social care. Whilst these changes are significant, and the Council will have to undertake work to implement these, it is also important to set these proposals within the context of a number of additional publications and reforms which the Department of Health will announce over the course of this Parliament.
35. The following announcements and key dates are likely to be of particular relevance:

<b>Department of Health Commitment</b>	<b>Date</b>
Public Health White Paper published	December 2010
Health Bill introduced in Parliament	December 2010
Vision for Adult Social Care published	Spring 2011
Patient Strategy published	Spring 2011
Review of data returns published	Spring 2011
White Paper on Social Care Reform	2011

36. At present it would be speculative to comment on what the proposals in these publications might be. The White Paper on social care reform is likely to have particular impact, however, as it aims to set out a new funding framework for social care in the United Kingdom.
37. At a time when legislation has not yet been introduced, and in anticipation of these further Government publications, it would be premature for the Council to take action in implementing the proposals in the NHS White Paper. However there is an expectation that many of the changes will be implemented, and the Council is therefore taking action to consider these and how these may be

implemented in Southwark.

38. There are five key areas in the NHS White Paper for consideration by Southwark Council:
- The development of a new public health function
  - The development of GP consortia
  - The development of local HealthWatch
  - The future role and functions of Monitor and the CQC
  - Proposals relating to the health and wellbeing board
39. The following section summarises the proposals in the NHS White Paper for each of the five key areas. The Council has designated appropriate officers to consider each area and to, at the appropriate time, bring forward proposals and work to implement changes.

#### *Public Health*

40. The NHS White Paper sets out proposals for the establishment of a new National Public Health Service (PHS) with, at a local level, a Director of Public Health who will be jointly appointed and jointly accountable to both the PHS and to the local authority. It is proposed that the Director of Public Health will have a ring-fenced budget which would be set by the PHS. The allocation formula for these funds will include a “health premium” designed to promote action to improve population-wide health and reduce health inequalities.
41. The public health role of the London Mayor and Greater London Authority (GLA) will be a consideration in the development of a public health function in Southwark. At present there is a joint role in London of the Regional Director of Public Health (NHS London) and the Health Advisor to the Greater London Authority (GLA). One option for a newly defined Public Health Service in London would be to base this within the GLA. One possibility is that the public health budget and function in London will be split three ways, that is, between the PHS, the Mayor of London and the boroughs.

#### *The development of GP consortia*

42. The NHS White Paper sets out proposals for the abolition of PCTs. Local NHS commissioning will instead be the accountability of GP commissioning consortia, which it is envisaged will be placed on a statutory basis with powers and duties set out in primary and secondary legislation. The NHS White Paper sets out how GP consortia will be responsible for the commissioning of the great majority of NHS services.
43. Every GP practice will be a member of a GP consortium, and practices will have flexibility within the new legislative framework to form consortia in ways that they think will secure the best healthcare and health outcomes for their patients and locality. GP consortia will include an accountable officer and the NHS Commissioning Board will be responsible for holding consortia to account. GP consortia will be established in shadow form in 2011/12, and will be fully established in 2012. With the successful establishment of GP consortia, PCTs will be abolished from April 2013.



*HealthWatch*

44. The NHS White Paper sets out proposals which aim to strengthen the collective voice of patients with the development of HealthWatch England, a new independent body which will be located within the Care Quality Commission (CQC).
45. At a local level, Local Involvement Networks (LINKs) will become local HealthWatch. The new organisations will provide advocacy and support, but will also undertake functions which are similar to that of the Patient Advice and Liaison Service (PALs) currently, with proposals, for instance, for local HealthWatch to consider complaints about GPs and NHS services and to support patients to choose their GP practices

*Care Quality Commission (CQC) and Monitor*

46. The NHS White Paper proposals set out a national inspectorate and economic regulatory framework for health and adult social care providers in the form of a refreshed mandate for the Care Quality Commission (CQC) and a new enhanced role for the Monitor organisation. As now, the CQC will act as a quality inspectorate across health and social care. It will operate a joint licensing regime with Monitor, and it will inspect providers against these standards to ensure compliance. The CQC will receive information to inform its inspection programme from a number of sources including HealthWatch (and HealthWatch England will be located in the CQC). Monitor will be transformed into the economic regulator for health and social care, and will promote competition, regulate prices and support the continuity of services.

*Health and Wellbeing Board*

47. The NHS White Paper sets out an aim to strengthen local democratic legitimacy in the NHS. One of the ways that it is envisaged that this will be achieved will be through the establishment of health and wellbeing boards, which it will be the responsibility of local authorities to coordinate. Health and wellbeing boards will take on the function of joining up the commissioning of local NHS services, adults and childrens social care, and health improvement.
48. The development of health and wellbeing boards, as set out in the NHS White Paper, will be a significant opportunity in Southwark. The boards are intended to provide a focus for strategic health decision-making. There are opportunities with this work to bring together a number of health organisations in Southwark that have not previously had an ongoing relationship, including GPs and the acute NHS trusts, in order to develop improved joined up health and social care services for the borough.
49. An additional opportunity with the development of a new Health and Wellbeing Board will be to ensure that a strong multi-agency approach exists within safeguarding. The Safeguarding Adults Partnership Board (SAPB) has recently been reviewed and an independent chair appointed. With the development of GP consortia there will be a particular opportunity to involve GPs in work to ensure that adults in Southwark are safe from financial, physical and other forms of abuse.

### **Community impact statement**

50. There is a degree of uncertainty about how the level of change in the health system will impact on the population in Southwark. In the NHS White Paper, the Government sets out an aim “to empower professionals and providers, giving them more autonomy and, in return, making them more accountable for the results they achieve, accountable to patients through choice and accountable to the public at a local level.”
51. There are opportunities with these changes, for instance, with the greater involvement of GPs in strategic health planning, and the local knowledge and expertise that GPs will bring in working with the Council and other organisations, including public health, to help improve the health and wellbeing of the people of Southwark.
52. With these changes, and in consideration of future legislation and other government publications, the Council will need to work with partners in order to ensure that, both during the coming transition period, and in the development of a new health and adult social care system in Southwark, that equalities and a respect for human rights is at the heart of the new health and adult social care system and that people who use services and their carers have fair access to services and are free from discrimination or harassment in their living environments or neighbourhoods .

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

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

53. The cabinet is being asked to:
  - i) note the key issues arising from White Paper entitled “Liberating the NHS” and the likely implications of this change in the health and social care agenda and
  - ii) welcome the proposal from Southwark GPs to be considered as a GP consortium pathfinder and agrees to support them in this project.
  - iii) agree that the Council will undertake a due diligence exercise with the PCT to clarify all current joint and shared arrangements between the two organisations through which their accountabilities are currently delivered.
54. The Leader is being asked to agree that the Cabinet Member for Health and Adult Care will oversee a programme of work to implement the legislation that will follow the NHS White Paper and respond to the future government publications anticipated on public health and adult social care.
55. The White Paper proposes sweeping changes in the way that health services are delivered. As highlighted in the report already the White Paper it is proposed that PCTs are abolished and that GPs will take over commissioning. As an authority that has developed close ties with the PCT the decoupling of the Health & Social Care from the PCT will have significant implications for Southwark and the full extent of what this involves will need to be understood. The proposals therefore for a due diligence exercise to be pursued will be critical in informing the way forward.

56. The Health Bill is not yet before parliament but the White Paper expects it will be introduced this autumn.

### Finance Director

57. The abolition of NHS Southwark has significant financial implications for the council; this is due to a number of Section 75 agreements between the council and the PCT. These arrangements set up pooled budgets – with different purposes, including joint commissioning, purchasing equipment and employing staff. The 3 biggest agreements accounted for a combined gross cost of approximately £88m in 2009/10. Another consideration is that PCT currently occupies council buildings.
58. In noting suggested ways forward, finance strongly supports a process of due diligence – whereby clarity of accountabilities is established and any transfer of accountabilities to the council is subject to appropriate checks. A stringent due diligence process is paramount to ensuring a proper evaluation of the financial risks resulting from the changes in Public Health and Adult Social Care.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

### APPENDICES

No.	Title
None	

### AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Dora Dixon-Fyle, Cabinet Member for Health and Adult Social Care	
<b>Lead Officer</b>	Annie Shepperd, Chief Executive	
<b>Report Author</b>	Graeme Gordon, Head of Corporate Strategy	
<b>Version</b>	Final	
<b>Dated</b>	12 November 2010	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
	<b>Officer Title</b>	<b>Comments Sought</b>
		<b>Comments included</b>
	Strategic Director of Communities, Law & Governance	Yes
	Finance Director	Yes
	<b>Cabinet Member</b>	Yes
	<b>Date final report sent to Constitutional Team</b>	12 November 2010

<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 23 November 2010	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Adoption of refreshed Southwark Economic Development Strategy 2010 – 2016	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Regeneration and Corporate Strategy	

## **FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY**

1. Unprecedented growth in the decade before the recession galvanised the Southwark economy, driving investment into the borough, attracting new businesses and increasing jobs dramatically. Market-led development and investment such as the Shard of Glass and the council’s own regeneration programmes such as Elephant and Castle will continue to transform the borough for the people that live and work here. However, old and new challenges still face us. Despite progress made through growth and opportunities, worklessness remains an entrenched problem in particular areas, certain groups face serious problems in finding work; and the labour market becomes ever more competitive as the effects of the recession continue. Meanwhile we face the further impact of the 2010 Comprehensive Spending Review on jobs and business in both public and private sectors alike.
2. The challenge remains to make regeneration work for Southwark’s residents and businesses and to harness the benefits of this recent growth. The Local Economy Group brings together the council, Job Centre Plus, the business improvement districts, Southwark College, London South Bank University, the Chamber of Commerce, businesses & business support agencies, training & employment support providers and voluntary sector organisations as partners, all aiming to make inroads into persistent concentrations of unemployment and low skills, remove barriers to work and let our businesses flourish, exploiting opportunities from development. Our new Economic Development Strategy aligns the influence of the council and partners in order to bring our residents into jobs in an increasingly tough labour market and to keep our businesses in a position to offer jobs and sustain the regeneration of our town centres..

## **RECOMMENDATIONS**

That the Cabinet

3. Approve and adopt the revised Southwark Economic Development Strategy 2010 – 2016 (attached as appendix 1)
4. Approve and adopt the revised Southwark Economic Development Strategy 2010-2016 as the borough’s local economic assessment, in response to the local authority economic assessment duty.
5. Note and approve the council’s role in the associated 2010 - 11 strategic delivery plans (attached as appendices 2 & 3)

## **BACKGROUND INFORMATION**

### **Southwark's Economic Development Strategy**

6. The Southwark Alliance employment and enterprise strategies were first developed in 2002 to address the high levels of unemployment and deprivation in Southwark with the aim to create employment opportunities for Southwark residents who were most disadvantaged in the labour market, to encourage small firms to thrive, and to promote enterprise activity in deprived areas and amongst disadvantaged groups.
7. The strategies were comprehensively revised and developed in 2005 following wide stakeholder and public consultation. The subsequent Southwark Alliance employment and enterprise strategies 2006 – 2016 were endorsed by the Southwark Alliance and adopted by the Council Executive in 2005 with a commitment to review them every three years to reflect changing economic and policy contexts.
8. As partnership documents the strategies were owned by the Southwark Alliance Employment and Enterprise Partnerships; following the merger of the latter into the new Local Economy Group, ownership has transferred accordingly. Over the last year, the strategies have undergone their first three year review to assess whether they are still fit for purpose to deliver the strategic objectives set out in Southwark 2016 and the corporate plan's aims to improve life chances and build a vibrant economy.
9. The revised strategy for 2010 – 2016 has been endorsed by the Southwark Alliance and is now proposed to council Cabinet for formal adoption.
10. The strategy has been developed as a response to the challenges and opportunities to Southwark's economy as set out in Appendix 1. As we face up to these challenges, we know that the immediate future is going to be very tough. In the wake of the 2010 comprehensive spending review, the council's spending and that of the partners to the strategy will be substantially reduced. More people will lose their jobs as a consequence of public sector budget reductions, and businesses are set to suffer a loss of opportunities from a shrinkage in public expenditure. Public sector investment in employment and enterprise initiatives will be limited.
11. As the strategy is completed, unemployment in London is high and vacancies are low following the impact of the recession. The economic outlook remains uncertain. Major changes are taking place in the national and regional policy environment that affect the planning and delivery of skills development, including the introduction of welfare to work programmes and a major shift in priorities for business support provision.
12. While we are clearer about the challenges ahead of us, partners also recognise the need to work effectively with reduced resources. The strategy sets out the commitment to more effective partnership working and co-ordination and to finding the most effective way of using partners' individual and collective resources to achieve common goals.

## Review of the Southwark Economic Development Strategy

13. The strategy review began in July 2009 managed by the council's economic development team and directed by a steering group comprised of Jobcentre Plus and Better Bankside Business Improvement District representatives in their capacity as chairs of the employment and enterprise partnerships respectively and, initially, the council's executive member for regeneration, succeeded by the cabinet member for regeneration and corporate strategy. Consultants were engaged to carry out the consultation, produce the evidence base and draft the strategies.
14. The evidence base for the economic development strategy was reviewed and an assessment of economic conditions provided; to assess the validity of the strategic priorities identified in 2006; and to provide the basis of the local economic assessment which local authorities are required to prepare. While the guidance on the contents has been made less prescriptive by the new government, the requirement remains, and the work done on preparing this evidence base and preparing the strategies fulfils the requirement to prepare a local economic assessment. Recommendations were then made to the strategy steering group.
15. The draft strategies were subsequently presented to LSP thematic partnerships and council departments for agreement, and comments were sought from the London Development Agency, the Skills Funding Agency and neighbouring boroughs.
16. The draft employment and enterprise strategies were finally merged into a single economic development strategy, with distinct employment and enterprise elements in order to reflect the merger of the Southwark Alliance Employment and Enterprise Partnerships into the Local Economy Group.

## KEY ISSUES FOR CONSIDERATION

17. In assessing the current strategic objectives and priorities, the review concluded that while these are still valid the council and its partners should adapt to a very different economic and policy context due to the impacts of global recession, uncertain recovery, public expenditure reviews and reform of welfare to work and skills policies.
18. The review concluded that the strategy should place increased emphasis on
  - **Tackling the skills gap** particularly targeting young people in collaboration with the Southwark Families and Children's Trust and the 14-19 Partnership as the council's strategic commissioner for young people and skills.
  - **More and better engagement with businesses and employers**, particularly with the private sector as public sector employment shrinks.
  - **Stimulating enterprise activity** in outlying areas and town centres to increase job density in areas of high worklessness.
  - **Increasing low start-up and self employment rates** to ensure future business growth and provide alternative options for workless residents in an increasingly competitive labour market.

19. In addition, the review concluded a theme throughout the strategy and for the delivery of the strategic objectives should be improving partnership working across health, housing and children's services in order to make a step change in moving volumes of residents into work with reduced resources.
20. A comparison of the current visions and priorities with those proposed in the revised strategy for 2010 – 2016 is summarised in table 1 below.

Table 1

<b>SOUTHWARK EMPLOYMENT STRATEGY 2006 – 2016</b>	<b>REVISED SOUTHWARK EMPLOYMENT STRATEGY 2010 - 2016</b>
<p><b>Current vision</b> To maximise opportunities for accessing and sustaining high quality employment for all Southwark's residents</p> <p><b>Current priorities</b></p> <ul style="list-style-type: none"> <li>• Increase access to work, supporting sustainability and progression in work and preventing people falling into long-term worklessness.</li> <li>• Focus on addressing barriers to employment for those who are furthest from the labour market</li> <li>• Target services that add value to mainstream provision.</li> </ul>	<p><b>Proposed vision</b> To build sustainable, inclusive, and prosperous communities by reducing worklessness and sustaining high quality employment for all Southwark's residents</p> <p><b>Proposed priorities</b></p> <ul style="list-style-type: none"> <li>• Tackle the barriers to work faced by priority groups.</li> <li>• Increase business and employer engagement.</li> <li>• Raise skills for sustained employment.</li> </ul>
<b>SOUTHWARK ENTERPRISE STRATEGY 2006 – 2016</b>	<b>REVISED SOUTHWARK ENTERPRISE STRATEGY 2010 - 2016</b>
<p><b>Current vision</b> To create a healthy competitive business environment built on an entrepreneurial culture with improved access to quality employment opportunities for all residents.</p> <p><b>Current priorities</b></p> <ul style="list-style-type: none"> <li>• Build an entrepreneurial culture, support and develop the existing business base, attracting inward investment.</li> <li>• Focus on maximising benefits from growth in the north, increasing enterprise activity in deprived areas, targeting under represented groups</li> </ul>	<p><b>Proposed vision</b> To create a strong, sustainable economy with a thriving network of town centres, built on an entrepreneurial culture</p> <p><b>Proposed priorities</b></p> <ul style="list-style-type: none"> <li>• Support existing businesses.</li> <li>• Develop key business districts and town centres.</li> <li>• Increase business start ups.</li> </ul>

<p>e.g. young people, women, minority ethnic groups</p> <ul style="list-style-type: none"> <li>• Join up regional and local strategies, plans and initiatives to provide a coherent offer to investors and businesses.</li> </ul>	
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### Policy implications

21. This report proposes a single economic development strategy to replace the separate employment and enterprise strategies that were adopted by Council Executive in 2005. This strategy continues to support two key objectives of the council's current community strategy: "improving individual life chances" and "making the borough a better place for people". These are to be attained through a number of measures that would allow residents to achieve economic well-being and the borough to become a vibrant economy.
22. The proposed strategy supports the mission and commitments of "A Fairer Future for Southwark" by providing a partnership framework and objectives for employment and enterprise development; these provide an evidence base and justification for setting out clear expectations of the benefits in terms of jobs and business opportunities of the council's regeneration programmes, and will thus help to realise the stated aim "to make regeneration work for the community".
23. During the consultation process the strategy was presented to each of the thematic partnerships operating on behalf of Southwark Alliance and to council departments for feedback. The development of the strategy has taken into account the relevant policies, plans and strategies of the other thematic partnerships and of the council in general. The purpose was to identify opportunities in each to maximise opportunities for reducing worklessness, improving skills and extending business opportunities. In turn, the economic development strategy has been designed to support wherever appropriate the delivery of other strategic objectives, such as the children and young people's strategy (for example through the 14-19 commissioning plan); the health inequalities strategy; the housing strategy; the reducing reoffending strategy, and the planning policy via the council's core strategy. As an example, the economic development strategy has been used as a business case for the revision of the Section 106 Supplementary Planning Document (SPD) to provide clearer information for the negotiation of economic benefits from planning obligations. In addition, the refreshed strategy aims to develop closer collaboration with Children's Services through development of initiatives to support better vocational pathways for 14-19 year olds.
24. Support for economically inactive people seeking jobs and training is provided by a number of organisations, agencies and partnerships in Southwark; the mainstream service provider is Jobcentre Plus (JCP) and its associated business partners and DWP contractors (such as the current Flexible New Deal providers). This nationally and regionally designed JCP and DWP provision does, however, leave gaps and is not equally successful in meeting the needs of all groups and localities. By having an economic development strategy and the infrastructure to deliver it, regional and national delivery can be influenced to fit the local context. For example, DWP's new Single Work Programme will result in 3 to 8 providers



contracted to deliver services across the whole of London, with a total contracting value of £10-£50 million. Contracting at this level leaves little scope for specialist delivery tailored to the needs of individual boroughs and wards.

25. Successful implementation of the strategy will depend on joint work between all of the relevant agencies and partners who work with residents directly. Similarly, nationally and regionally designed provision for business support is not efficient in helping deprived and harder to reach groups that might stand to benefit from the provision, and thus co-ordination of activities between business support providers and business representatives operating locally is essential in order to meet demand for advice needs, mitigate particular market failures and build a more entrepreneurial community. The Local Economy Group is the current forum in which implementation of the strategy is overseen and governed on behalf of the Southwark Alliance.
26. Given its role as a landowner and landlord, planning authority, education authority and provider of services, commissioner of projects and purchaser of goods and services, the council has a number of very significant roles in leading and supporting the delivery of the economic development strategy. The council is leading the regeneration of the borough and is the sole organisation with a specific interest in supporting the economic wellbeing of residents and businesses. The economic development strategy reflects the priorities within that direct interest in the locality while other agencies operate on a national or regional basis.
27. The Local Democracy, Economic Development and Construction Act 2009 places a duty on councils to prepare an assessment of local economic conditions. There is no longer statutory guidance on local economic assessments, local authorities must determine the breadth and scope of their own assessment and they will not be monitored by the government. The assessment can be revised at any time.
28. The revision of the Southwark Economic Development Strategy has been informed by research and a gap analysis that provides the strategy's evidence base. Subsequently the strategy reflects local economic development priorities in line with the statutory duty. All future guidance on content and consultation for the local economic assessment will be kept under review by officers. This report recommends the council Cabinet adopt the Southwark Economic Development Strategy as the council's local economic assessment.

### **Community impact statement**

29. As a borough-wide strategy underpinning the sustainable community strategy, the economic development strategy potentially impacts on the whole community in all wards including the business community of the borough. However the core aim of the strategy is to tackle the barriers and market failures that prevent certain sections of the community from being able to achieve their potential, participate in the economy and achieve financial independence and well being.
30. In tackling the borough's high concentrations of worklessness the strategy's first priority is to tackle the barriers to work for priority groups. The strategy recognises the main barriers to work as low or no skills or qualifications; access to affordable, flexible childcare; employer engagement; poor health and/or disability; access to information and routes to services; lack of basic skills and

ESOL; confidence and motivation; vocational and soft skills; caring responsibilities and complex personal problems such as drug or alcohol addiction; housing instability or family or relationship breakdown. Workless residents often face one or more of these barriers in accessing or sustaining a job, and the more barriers an individual faces the more support they need to enter or re-enter the labour market.

31. Whilst any individual can face these barriers the evidence base underpinning the strategy and the equalities impact assessment has identified resident groups in the community who are most disadvantaged in the labour market and confirms that inequalities still exist for certain sections of the community.
32. For example ethnic minority employment is at 59% compared to a borough average of 67%, and a 72% employment rate for the overall White group. Similarly the female employment rate is 60% whilst the male employment rate is higher at 74%.
33. The review also found that young people aged 18 – 24 are being disproportionately impacted by the recession in terms of rising numbers seeking Jobseekers Allowance compounded by their over representation in the 16% of residents who have no or low qualifications.
34. Therefore the strategy prioritises the removal of barriers to work for priority groups and sets out to steer employment and skills services to target ex-offenders and young offenders, BME residents, women, young people, people with alcohol or drug dependency, homeless people, refugees, people with disabilities, the over 50s, those with mental health needs and families with young children, particularly lone parents.
35. The review also found that concentrations of worklessness match concentrations of social housing and the pattern of deprivation in the borough. This is recognised in Southwark's Local Area Agreement target to 'reduce out of work benefits in wards where claimant rates are above average' and includes the wards of Livesey, East Walworth, Nunhead, Peckham, Riverside, South Bermondsey, Camberwell Green, Grange, Newington, Rotherhithe, The Lane, Cathedrals, Colledge, Faraday, Peckham Rye, Surrey Docks.
36. Areas of the borough with concentrations of worklessness and claimant rates also show low job and business density in local town centres such as Peckham, Camberwell, Bermondsey and the Elephant and Castle. The review of the strategy renews the priority to focus on stimulating enterprise activity in these areas to encourage business start ups, growth and local employment opportunities close to where workless residents are concentrated. Caring responsibilities, and the cost and accessibility of transport are barriers for many priority groups such as parents, lone parents and people with poor health and disabilities who often need flexible or part time work close to home.
37. Stimulating enterprise in town centres such as Camberwell is tied to the priority to build an entrepreneurial culture in the borough, creating an environment which encourages and supports business activity from all sections of the community including young people, women, BME groups and people with disabilities who are under-represented in business ownership. The review advocated stronger links between tackling worklessness and enterprise, with stronger promotion of

self employment and business start up as a viable option for priority groups seeking work in an increasingly competitive job market.

## Resource implications

### Financial

38. Funding has been available for employment and enterprise activity in Southwark. The review of the employment and enterprise strategies has been used to identify gaps in services and assisted in directing the strategic work of partners including the council. For 2011-12 onwards, the level of council resources will be reviewed, and resources for 2010-11 have been assumed at existing levels<sup>1</sup>. However, no specific resource levels for future years beyond 2010-11 have been assumed in this report or in the strategy and associated delivery.
39. The council has up to 2010-11 operated a small council-funded contracting budget for employment and enterprise focused projects. The impact of this has been maximised through commissioning of projects in combination with Working Neighbourhoods Fund plus project funding and partnership activity resourced from London Development Agency and other sources such as irregular contributions from S106 planning gain to deliver the employment and enterprise strategies. Wherever possible, council core funding has been used as match to bring in additional investment to the borough. This is a non-statutory area of work, and the strategies aim to demonstrate the value and impact of council investment in the economic development of the borough by working with funding partners and mainstream service providers.
40. Agreement is sought for a set of strategic priorities. Delivery plans are attached and will be used by the Local Economy Group to demonstrate partner resources that contribute to delivery of the strategic objectives and the extent of mainstream service provision that contributes to delivery. The delivery plans are also intended to assist review of the contribution by all partners. All partners have noted that commitment or description of resources in future years is not currently possible due to imminent spending reviews and changes in policy direction (such as introduction of welfare to work programmes by DWP). For this reason they do not provide commitments beyond March 2011 at this stage and they will be reviewed by the LEG for 2011-12 and annually thereafter. The Local Economy Group provides a means to add value to other national and regional provision operating in Southwark as it provides intelligence for partners on the impact of partners' service delivery; highlighting areas for improvement, and providing the opportunity to hold partners to account for their role and contribution to delivery of strategic aims, in keeping with the stated aims of Scrutiny sub-committee (June 2010) to invite partners in the LEG to participate in a closer examination of their role and impact.
41. Actions identified in the strategy delivery plans where Southwark Council is lead partner are already funded from existing council budgets in 2010-11 and have been commissioned through the council's procurement guidelines. No further commitment of resources is sought in this report. Similarly actions in the strategy delivery plans describe activities already commissioned and resourced by partner agencies in 2010-11, and make no additional call upon council resources. The

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<sup>1</sup> September 2010

delivery plans have been amended to reflect the government's in-year reduction of the Working Neighbourhoods Fund and the subsequent impact on the scale of service delivery.

### **Staffing**

42. The council will need to make available some resources to support implementation, and any subsequent activity such as project development and commissioning, bids for external project funding, influencing partners, monitoring and review. The staff resources and expertise for implementation and management of the strategy and associated partnership management are contained with the council's Economic Development Team. Staff currently work with local and regional agencies on joint employment and enterprise projects, including: Jobcentre Plus, Southwark College, London Development Agency, Business Improvement Districts, Business Link in London, the voluntary and community sector and others. No additional staffing resources are proposed with the adoption of the strategy.

### **Consultation**

43. The Southwark Alliance Employment and Enterprise Strategies were comprehensively developed and revised in 2005 and were open to full public consultation. The most recent review entailed a two phase consultation starting in 2009.
44. Phase 1 of the consultation was led independently by consultants who, after preparing a preliminary local economic analysis to set the baseline for the review, held 25 confidential stakeholder interviews with a combination of members of the employment and enterprise partnerships, partner agencies represented on the Southwark Alliance and lead officers across the council. The stakeholder interviews were designed to gather views on gaps and future priorities for the council and its partners and draw on expert knowledge from partner organisations and commissioners in the borough in the context of the emerging economic assessment.
45. The priorities and issues emerging from the preliminary local economic analysis and stakeholder interviews were then subject to consultation through a conference attended by LSP partners, council lead officers and other partner organisations.
46. Following the conference, further consultation around key issues and priority groups was undertaken through focus groups including a range of employment support providers; parents and lone parents; peer to peer research with young people; ex-offenders; town centre businesses and locally based creative industries.
47. The findings from the Phase 1 consultation were key considerations when evaluating the current strategies and refreshing priorities for 2010 – 2016 (see background paper – Phase 1 Consultation Report).
48. The initial draft strategy produced following Phase 1 was subject to further consultation via members of the employment and enterprise theme groups of Southwark Alliance (now succeeded by the Local Economy Group), and governed by a strategy steering group as described in paragraph 6 above. The

final stages of the consultation involved formal consultation sessions with each of Southwark Alliance's thematic groups; national and regional agencies responsible for commissioning and delivery of employment, skills and business support and neighbouring boroughs. Drafts were also circulated for comment to divisional heads of service across all council departments and presented to senior manager teams on invitation. (See background paper – Phase 2 Consultation Report).

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

49. The council is required under section 69 of the Local Democracy, Economic Development and Construction Act 2009 to prepare an assessment of the local economic conditions in its area (a local economic assessment) and in doing so to consult such persons as it considers appropriate. It is further required under the Local Government Act 2000 to draw up a community strategy for promoting or improving the economic, social and environmental well being of its area and contributing to the achievement of a sustainable development in the United Kingdom. In preparing this strategy, the council is required to consult and seek the participation of partner and other organisations in the community.
50. Two key objectives of the council's current community strategy are "improving individual life chances" and "making the borough a better place for people". These are to be attained through a number of measures that would allow residents to, among other things, achieve economic well-being and the borough a vibrant economy.
51. The Economic Development Strategy 2010-2016 document is therefore in compliance with and consistent with the council's duties under the Local Democracy, Economic Development and Construction Act 2009 and could also count as being the local economic assessment required under section 69 of the 2009 Act. In addition it is consistent with the council's duties under the current community strategy and the general power to improve the economic, social and environmental well being of the area contained in section 2 of the Local Government Act 2000.

### **Departmental Finance Manager**

52. Economic Development is subject to the same financial constraints as the rest of the council. The reduction in the Working Neighbourhoods Fund will impact on the ability of the Economic Development team to deliver the level of service previously provided, as will any reduction in the core council funding. Other sources of funding, such as LDA and S106 will also be affected by the current political and economic changes being introduced. Paragraphs 39 – 42 above give explanations of how this will be managed.
53. This report does not request any additional commitment of resources. The financial implications of any specific strategy should be addressed as part of any specific proposal, including confirmation of funding as well as formal approval in line with current procurement protocols.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Phase 1 Consultation Report	Economic development & strategic partnerships.	Sarah Randall 020 7525 2234
Phase 2 Consultation Report	As above	As above
Southwark Local Economic Analysis	As above	As above
Economic Development Strategy Equalities Impact Assessment	As above	As above
Economic Development Strategy Sustainability Assessment	As above	As above

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Economic Development Strategy 2010-2016
Appendix 2	Employment Strategy Delivery Plan – Year 1: 2010/11
Appendix 3	Enterprise Strategy Delivery Plan – Year 1: 2010/11
Appendix 4	Local Economy Group Partners and Resources 2010/11

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Regeneration and Corporate Strategy	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive and Strategic Director Regeneration & Neighbourhoods	
<b>Report Author</b>	Graham Sutton, Economic Development Team	
<b>Version</b>	Final	
<b>Dated</b>	11 November 2010	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Departmental Finance Manager	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	11 November 2010	

# Appendix 1

**Southwark Economic Development Strategy  
2010-2016**

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**CONTENTS**

<b>1.</b>	<b>INTRODUCTION</b>	<b>4</b>
<b>2.</b>	<b>EMPLOYMENT STRATEGY</b>	<b>6</b>
	Background and context	6
	Challenges and opportunities	7
	Priorities for action	13
<b>3.</b>	<b>ENTERPRISE STRATEGY</b>	<b>17</b>
	Background and context	17
	Challenges and opportunities	18
	Priorities for action	23
<b>4.</b>	<b>DELIVERING THROUGH PARTNERSHIPS</b>	<b>26</b>



## FOREWORD

Unprecedented growth in the decade before the recession galvanised the Southwark economy, driving investment into the borough, attracting new businesses and increasing jobs dramatically. Market-led development and investment such as the Shard of Glass and the council's own regeneration programmes such as Elephant and Castle will continue to transform the borough for the people that live and work here. However, old and new challenges still face us. Despite progress made through growth and opportunities, worklessness remains an entrenched problem in particular areas and certain groups face serious problems in finding work; and the labour market becomes ever more competitive as the effects of the recession continue. Meanwhile we face the further impact of the 2010 Comprehensive Spending Review on jobs and business in both public and private sectors alike.

The challenge remains to make regeneration work for Southwark's residents and businesses and to harness this recent growth. As a partnership we aim to make inroads into persistent concentrations of unemployment and low skills, remove barriers to work and let our businesses flourish, exploiting opportunities from development. Our new strategy aligns the influence of the council and partners in order to bring our residents into jobs in an increasingly tough labour market and to keep our businesses in a position to offer jobs and sustain the regeneration of our town centres.

Signed by Cllr Fiona Colley, Chair of Local Economy Group Strategy Steering Group, Cabinet Member for Regeneration and Corporate Strategy, Southwark Council.

<<<Comments to be Inserted>>>

Quotes by Hazel Renwick, Jobcentre Plus, Chair of Southwark Local Economy Group and Peter Williams, Better Bankside, Vice Chair of Southwark Local Economy Group

# 1. INTRODUCTION

- 1.1. This strategy has been developed as a response to the challenges and opportunities to Southwark's economy as set out over the following pages. As we face up to these challenges, we know that the immediate future is going to be very tough. In the wake of the 2010 comprehensive spending review, the council's spending and that of the partners to this strategy will be substantially reduced. More people will lose their jobs as a consequence of public sector budget reductions, and businesses are set to suffer a loss of opportunities from a shrinkage in public expenditure. Public sector investment in employment and enterprise initiatives will be limited.
- 1.2. As this strategy is completed, unemployment in London is high and vacancies are low following the impact of the recession. The economic outlook remains uncertain. Major changes are taking place in the national and regional policy environment that affect the planning and delivery of skills development, including the introduction of welfare to work programmes and a major shift in priorities for business support provision.
- 1.3. While we are clearer about the challenges ahead of us, partners also recognise the need to work effectively with reduced resources. This strategy sets out our commitment to more effective partnership working and co-ordination and to finding the most effective way of using partners' individual and collective resources to achieve common goals.
- 1.4. Southwark has changed significantly over the last decade. As part of central London, it has been able to harness the dramatic growth of the London economy in order to regenerate areas of the borough, and generate significant improvements for local communities and businesses. This has meant that the number jobs and businesses in the borough has expanded rapidly and Southwark has continued to outperform London averages and similar London boroughs. However despite the large scale growth in jobs, rates of worklessness remain high and unemployment is concentrated among certain groups, particularly in certain localities.
- 1.5. Southwark is highly specialised in a number of sectors, with the business sector driving the expansion of the economy since 1998. However, business formation and self employment rates are below the London average.
- 1.6. Over half of Southwark residents are employed in higher level occupations but there are high levels of economic inactivity and a large number of benefit claimants. Southwark remains the 2nd most deprived borough in London for employment. This employment deprivation has persisted in the context of numerous national interventions over the past 25 years.
- 1.7. Our agreed vision for Southwark is:

- **to build sustainable, inclusive and prosperous communities by reducing worklessness and sustaining high quality employment for all Southwark's residents, and**
- **to create a strong sustainable economy, with a thriving network of town centres, built on an entrepreneurial culture**

1.8. Southwark's strategic economic development priorities are to

- **Tackle the barriers to work faced by priority groups**
- **Increase business and employer engagement**
- **Raise skills for sustained employment**
- **Support existing businesses**
- **Develop key business districts and town centres**
- **Increase business start ups**

1.9. As a borough wide strategy the economic development strategy potentially impacts on all local communities including the business community of the borough. However the core aim of the strategy is to tackle the barriers and market failures that prevent certain sections of the community from being able to achieve their potential, participate in the economy and achieve financial independence and well being.

1.10. The Southwark Alliance Local Economy Group (LEG) oversees the development and revision of a strategy for economic development to maximise partners' contribution to the success of the local economy and to lift the economic well-being of the borough's residents.

1.11. The review of this strategy included consultation with the full range of partnerships operating under Southwark Alliance followed by a wider consultation process including those groups of individuals most in need of employment support and mainstream as well as specialist, local service providers, as well as local businesses and their representatives.

1.12. An economic analysis was commissioned in 2009 to provide evidence of the regeneration and business challenges facing our residents, as well as the opportunities resulting from the potential for growth afforded by Southwark's location within London and the opportunity areas for regeneration. This research provides the basis for identifying strategic priorities, which have also been developed with a close eye on long-predicted changes in the policy and funding environment for employment and enterprise. Acknowledging this evidence, the LEG, working with employers and the voluntary and community sector, is determined to make increasing inroads in tackling deprivation, inequality and child poverty through improving skills and getting people into work, and in extending opportunities from recent economic growth across the borough.

## 2. EMPLOYMENT STRATEGY

### Background and context

- 2.1. Southwark's community strategy sets out a vision for the borough with goals to reduce inequality; to improve life chances of all residents through economic well-being and educational potential; and, to make the borough a better place by developing a vibrant economy whilst using resources sustainably. These ambitions will require an even greater degree of endeavour by the new Local Economy Group (LEG) in the light of the recent recession.
- 2.2. The impacts of the recent recession increase the risk of marginalisation of those furthest from the labour market. Partners in Southwark have already taken steps to respond to these challenges by: monitoring the impact of the recession; promoting the JCP response to redundancies; creating new jobs for young people through the (now ceased) Future Jobs Fund; and through the work of the Southwark Financial Inclusion Forum, which has won an award for its response to the recession.
- 2.3. Since the Southwark Employment Strategy was revised in 2006, the LEG has continued to focus on providing intensive and personalised employability support for those furthest from the labour market focused on tackling barriers to work. The Southwark Works programme continues to provide valuable outreach and support to residents in their journey to employment. There has been significant work within the partnership to promote employment support activity in other service provision such as mental health services and housing options (for example, through placement of Southwark Works advisers).
- 2.4. Much has also been done to extend the reach of employability services, for example, the Improving Access to Psychological Therapies (IAPT) service within the South London and Maudsley Hospital which has been successfully mainstreamed by the Primary Care Trust. This work has also been recognised as good practice in partnership working by the Cabinet Office.
- 2.5. Since the last strategy refresh in 2006 the borough's employment rate has risen from 64.9%<sup>1</sup> to 67%<sup>2</sup> in 2009, meaning that an estimated additional 12,200 residents have secured employment. The gap between the Southwark and London employment rates has fallen from 3.9 to 2.2 percentage points. In terms of education and skills, according to the Indices of Multiple Deprivation (IMD) 2007, there have been real and significant improvements. No areas of the borough were found in the 10% most deprived band for England, and fewer areas were in the 0-30% most deprived for this domain in comparison to any other domain.

### Targets

<sup>1</sup> Source Annual Population Survey July 2005 – June 2006

<sup>2</sup> Source Annual Population Survey July 2008 – June 2009

- 2.6. The LEG will set detailed targets and measure its achievements through review of performance against its employment delivery plan. In addition to the detailed outcomes from individual work streams and projects, the following success measures will be applied:
- by 2016 Southwark's employment rate will be closer to the London average;
  - by 2016 we will reduce the out of work benefit claimant rates in areas with the highest levels of worklessness and bring them closer to the borough average;
  - we will reduce the proportion of working age residents with no qualifications;
  - we will increase the proportion of residents with a Level 2 qualification.
- 2.7. In order to measure progress towards the above outcomes and achievements delivered through this strategy, the LEG will agree annual targets for future years. In 2010-11, the achievement of strategy objectives is measured by a set of indicators stated in Southwark's Local Area Agreement as shown in 2.8 below.
- 2.8. The Local Area Agreement 2008-11 stipulates performance indicators and targets agreed between Southwark Alliance and the government. The key indicators affecting all of the partners in Southwark Alliance which relate to the strategic objectives for employment are:
- working age people on out of work benefits and working age people on out of work benefits in the worst areas (National Indicators 152 and 153)
  - inequality gap reduction in attainment at 19 Level 2 (NI 82)
  - percentage of the working age population with no qualifications (Local Indicator)
  - 16-18 year olds Not in Employment, Education and Training (NEET) (NI 117)
  - care leavers in education, training or employment (NI 148)
  - young offenders engagement in suitable education, employment and training (NI 45)
  - proportion of offenders in employment at the end of their order or licence (NI 144)
  - adults with learning disabilities in employment (NI 146)
  - adults in contact with secondary mental health services in employment (NI 150)
  - ESOL qualifications and part qualifications achieved in Southwark (Local Indicator)
- 2.9. The LEG directly monitors specific targets for 2010-11 related to these indicators; those targets (refreshed in April 2010) are:
- maintaining the gap of -1.7 percentage points between the Southwark and London levels of claimants of out-of-work benefits up to May 2011 against a background of projected increase in claimant rates in the same period;
  - raising the proportion of residents qualified to at least level 2 from 65.8% in 2008/09 to 66.5% by 2010/11;

- reducing the proportion of residents with no qualifications from 20.2% to 19.5% over the same period.

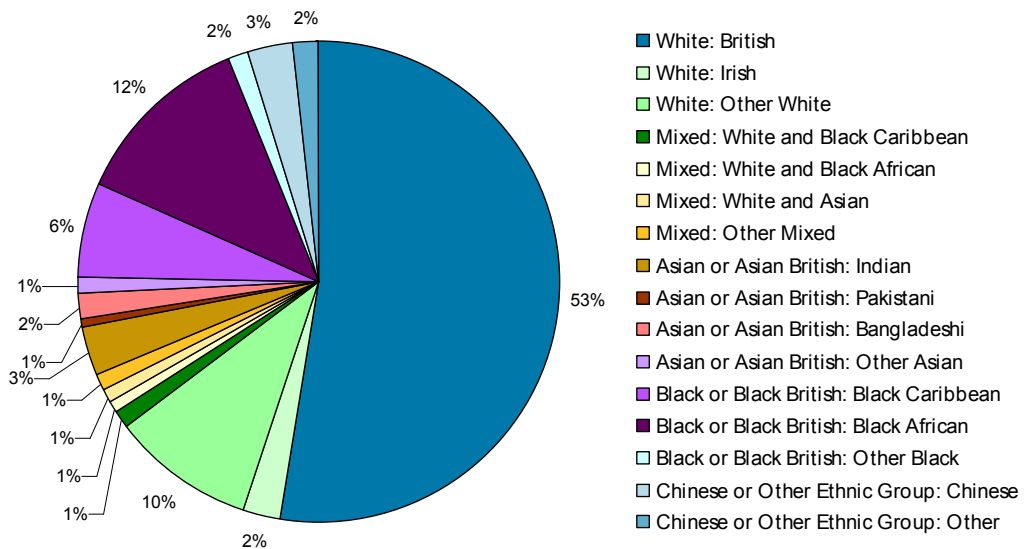
## Challenges and opportunities

2.10. Southwark has changed significantly over the last decade. Close to the centre of London, the borough has shared in the dramatic recent growth of the London economy and has seen rapid expansion in the number of jobs and businesses within its borders. However, despite the large growth in jobs, rates of worklessness remain high and unemployment is concentrated among certain groups and in certain localities.

### *Worklessness is concentrated among particular groups*

2.11. The population of Southwark is growing, standing at 278,000 in 2008, an increase of 16% since 1997, a significantly faster rate over the period compared to London (+9%) and GB (+5%), and marginally higher than inner London (+14%). The population is ethnically diverse; 53% of the resident population were classed as White British in 2007 while the largest ethnic populations are Black African (12%) and Black Caribbean (6%)<sup>3</sup>. The borough is also a major destination for overseas migrants, in 2009/10 almost 8,600 migrants registered for national insurance in Southwark.

### SOUTHWARK, POPULATION BY ETHNIC GROUP 2007



Source: ONS Estimated resident population by ethnic group, mid-2007 (experimental statistics)

2.12. The employment rate for ethnic minorities in Southwark was below the average in 2009 at 59% of the working age population. Ethnic minority unemployment is particularly high, with Black and Black British residents being disproportionately represented among the unemployed in Southwark.

<sup>3</sup> ONS, Estimated resident population by ethnicity and age group 2007 (experimental statistics)

Despite making up 18% of the local population<sup>4</sup> they make up over a third (36%) of all Jobseekers Allowance (JSA) claimants in the borough.

- 2.13. The employment rate is also significantly lower for women in Southwark; in 2008, it stood at 60% compared to 74% for men. The level of economic inactivity among working age women was 32% in 2008, while the rate for men was 18.5%. This pattern is more pronounced in London than elsewhere. In November 2009, there were a total of 5,800 lone parent claims in Southwark, 3% of the working age population.
- 2.14. Nationally collected data found that 18,995 (38%) of dependent children in Southwark were living in poverty in 2007. This was approximately 6 percentage points higher than the London average and 16 percentage points higher than the national average. The cost of living for families in London is very high. Housing and childcare costs put parents at a disadvantage in a very competitive labour market.
- 2.15. The number of young people (aged 16-18) not participating in employment, education or training (NEET) has fallen dramatically over the past five years. In 2004 there were nearly 900 young people NEET in January 2009 this figure had fallen to 326<sup>5</sup>.
- 2.16. Southwark suffers from higher levels of long-term unemployed compared to the national and regional averages, 22% of JSA claimants have been claiming for more than a year<sup>6</sup>, as opposed to 16% nationally and 15% regionally. This indicates that there are more individuals facing multiple barriers to work.
- 2.17. There are also concentrations of worklessness in certain wards linked to the patterns of general deprivation in the borough. Nunhead, Livesey, Peckham and Camberwell Green for example have higher out-of-work benefit claimant rates than the borough average. Exploring a "Total Place" approach to tackling worklessness in the borough, through assessing the total funding spent by public agencies in an area and considering ways in which it can be made more effective, may offer further opportunities for innovation.
- 2.18. Levels of worklessness in Southwark are above average and are concentrated among certain groups, such as ex-offenders and young offenders, BME residents, women, young people, people with alcohol or drug dependency, homeless people, refugees, people with disabilities, the over 50s, those with mental health needs and families with young children, particularly lone parents. These groups are affected by particular barriers to employment, training and education. The main barriers to employment identified in Southwark include:
- **limited access to and awareness of services and information** - services and information need to be open, transparent, sustainable and available to all parts of the community;

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<sup>4</sup> *ibid*

<sup>5</sup> The nationally reported figure of young people (aged 16-18) not participating in employment, education or training is 8.8%. This is calculated as the number of residents NEET compared to the learning cohort. In most Local Authorities the learning cohort broadly matches the number of residents. Historically, Southwark institutions have offered less post sixteen provision and residents have travelled out of borough to study, thus misrepresenting Southwark's relative position.

<sup>6</sup> ONS, Claimant Count, March 2010

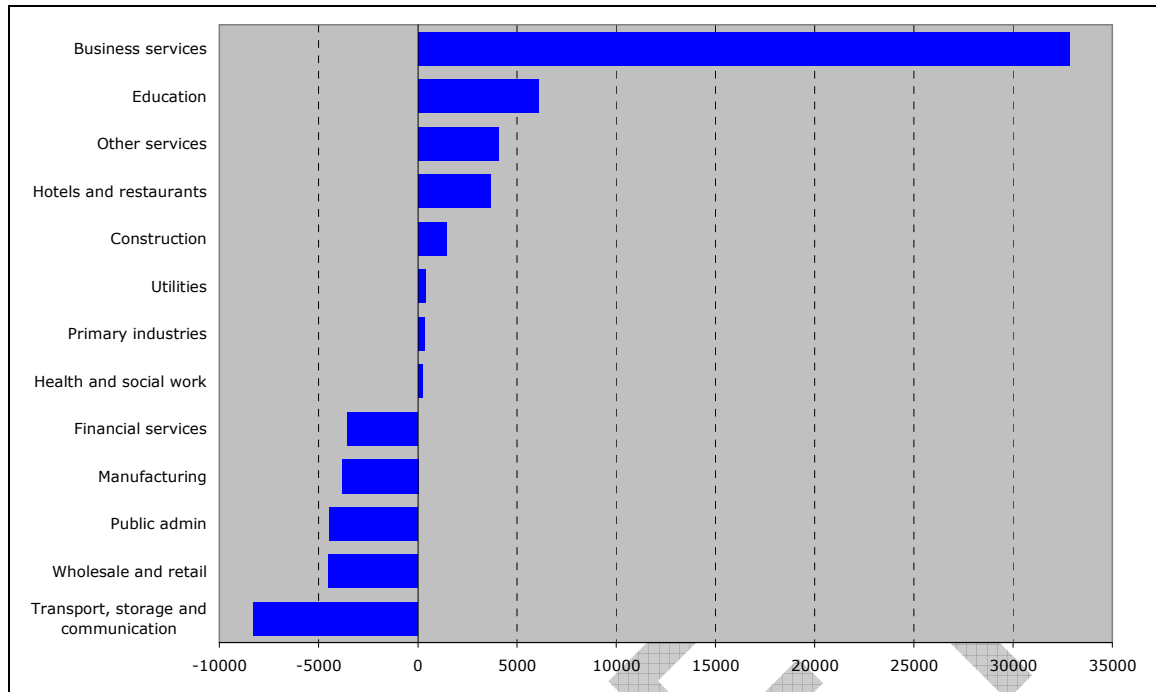
- **limited access to ESOL courses** - ESOL courses are a vital support for qualified people lacking the necessary English skills to access employment; this provision is particularly important for certain ethnic minority communities, asylum seekers and refugees;
- **limited employer participation** - employer engagement is crucial to increase opportunities for those groups who are traditionally excluded from labour market and to sustain people in employment;
- **limited basic and soft skills** - lack of basic skills limits the earning, employment and career progression prospects of individuals;
- **limited vocational skills** - vocational skills and qualifications are essential to many employment sectors, as well as having a strong bearing on individuals' self-esteem and wider social benefits;
- **limited confidence and motivation** - people who have been out of work for long periods experience difficulties in changing their lifestyle, and improving social skills is often useful in searching, finding and sustaining meaningful employment;
- **lack of affordable and flexible childcare** - high childcare costs in London and a lack of flexible childcare that matches work and travel patterns put parents at a disadvantage in the competitive labour market. Inflexibility of employers is also seen as a barrier by many parents; and,
- **poor physical and mental health** - poor health is often associated with poverty and low income amongst the unemployed, and people with poorer health are more likely to be unemployed. Work can play an important role in people's social networks and the way they participate in society.

### ***Sharing the benefits of growth and regeneration***

- 2.19. Southwark has embarked on a significant process of transformation through physical regeneration. Regeneration will continue to be an important feature in the future through development schemes such as Elephant and Castle, Canada Water, and the Aylesbury Estate.
- 2.20. In 2008, there were approximately 172,200 people working in Southwark. Employment grew by 22,600 jobs between 2003 and 2007 – a growth rate of 16%. This is significantly higher than the sub-regional average (6%), as well as the regional and national averages (both at 4%). Jobs growth has been concentrated in Southwark's largest employment sector, business services, which since 1998 has contributed 31,500 new jobs to the borough's economy.

### **EMPLOYMENT CHANGE BY SECTOR IN SOUTHWARK (NUMBER OF NEW JOBS), 1998-2008**



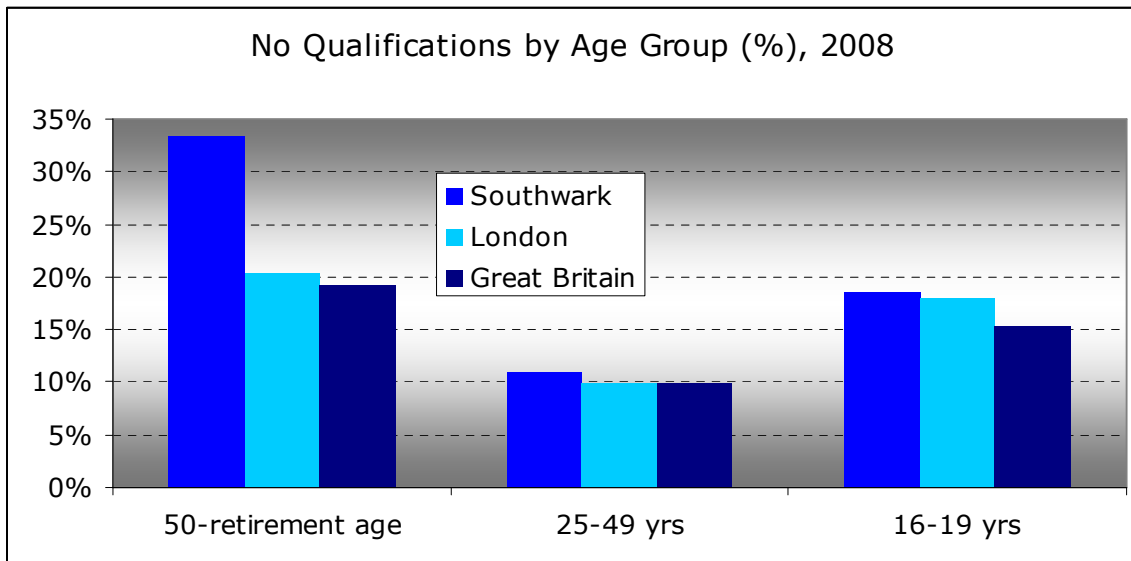


Source: Annual Business Inquiry, 2008

### **Skills for sustainable employment**

- 2.21. Southwark is an integral part of the London labour market with porous borders; commuting patterns show, as elsewhere in London, that there is a high level of commuting from Southwark into the City, West End and elsewhere in London. Equally there is a high level of commuting into the borough, particularly from the suburbs and the wider metropolitan area. Our strategy recognises that Southwark's residents will face equally similarly high levels of competition for jobs in the area as they do in the rest of the London jobs market. While they have the opportunity to access jobs across London, they will need to have the right skills to succeed.
- 2.22. Although our population includes a high proportion of well-qualified people, it also includes high proportion of people with no qualifications. In 2009, 45.1% of Southwark residents were qualified to degree level, above the London average of 39.7%. 10.9% of the working age population have no qualifications (below the regional average of 11.8%). The proportion of residents with no qualifications is highest among women and, by age, among those over 50. Almost 19% of young people aged 16 to 19 have no formal qualifications. These young people will find it very difficult to find work. Although improving, the performance of school pupils at GCSE level is slightly below national and regional averages.

**NO QUALIFICATIONS BY AGE GROUP (%), 2008**



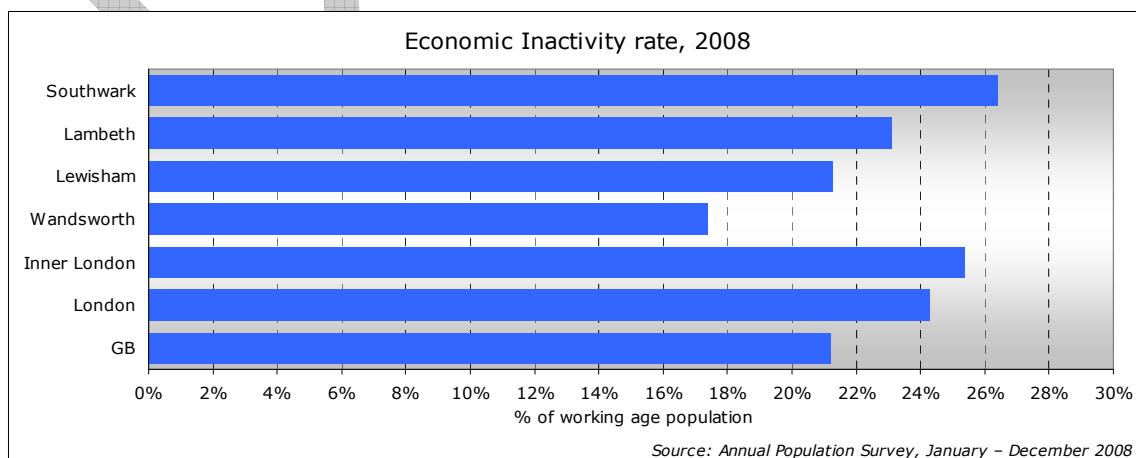
Source: Annual Population Survey, Jan 2008-Dec 2008

- 2.23. There is a strong correlation between having low skills and being unemployed. This is particularly true in London, where those with low skills (NVQ 2 or less) have an employment rate of 56% compared with 67% nationally<sup>7</sup>.
- 2.24. While raising skills is therefore a priority, we also need to make sure that skills provision is tailored to meeting employer needs both now and in the future. We will also work with employers to promote staff training so that once in work people can stay and progress. This will help reduce unemployment “churn” and free up access to entry-level jobs.

**High rates of economic inactivity and benefit claimants**

- 2.25. In 2009, 135,500 Southwark residents were in employment, representing 68.5% of the working age population. This figure is significantly below the London and national averages of 70% and 74% respectively.

**ECONOMIC INACTIVITY RATE 2008**



Source: Annual Population Survey, January – December 2008

<sup>7</sup> Labour Force Survey, Spring 2006

- 2.26. Levels of unemployment and economic inactivity are above average. There were 12,800 unemployed<sup>8</sup> people in Southwark in 2009, an unemployment rate of 9% of the economically active population. This rate was above the Inner London (8%) and London averages (7%). The level of economic inactivity in Southwark is slightly higher than that seen in London and GB. In 2009, 50,200 residents were classed as economically inactive, a rate of 25%. This compares to regional and national averages of 24% and 21% respectively.
- 2.27. In September 2009, 17% of Southwark's working age population were claiming out of work benefits<sup>9</sup>, a total of 33,540 people. This is higher than the London average (16%) although it is below that of some other Inner London boroughs – Tower Hamlets (21%) and Greenwich (20%). Further, over the previous five years Southwark *has managed to reduce the gap* with the London average. Incapacity Benefit is the most commonly claimed out of work benefit, in August 2009 there were around 11,960 Incapacity Benefit (IB) claimants in the borough.
- 2.28. The UK moved into recession in 2008. In common with the rest of the country, the claimant count in Southwark has increased rapidly as a result. The number of people claiming JSA increased from approximately 6,320 in June 2008 to 10,096 in March 2010. This was an increase of 60% over the period, the same as Inner London (+60%) but below the London rates of growth (+73%), and significantly below the GB average (+92%). The JSA claimant count rate in Southwark rose from 3.2% of the working age population in June 2008 to 5.1% by March 2010.

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<sup>8</sup> The number of unemployed people in the UK is measured through the *Labour Force Survey* following the internationally agreed definition recommended by the International Labour Organisation (ILO) – an agency of the United Nations. Unemployed people are: without a job, want a job, have actively sought work in the last four weeks and are available to start work in the next two weeks or; out of work, have found a job and are waiting to start it in the next two weeks.

<sup>9</sup> Out of work benefits are JSA, Incapacity Benefit, Employment Support Allowance and Income Support.

## Priorities for action – Employment

### Employment Priority One: Tackle the barriers to work faced by priority groups

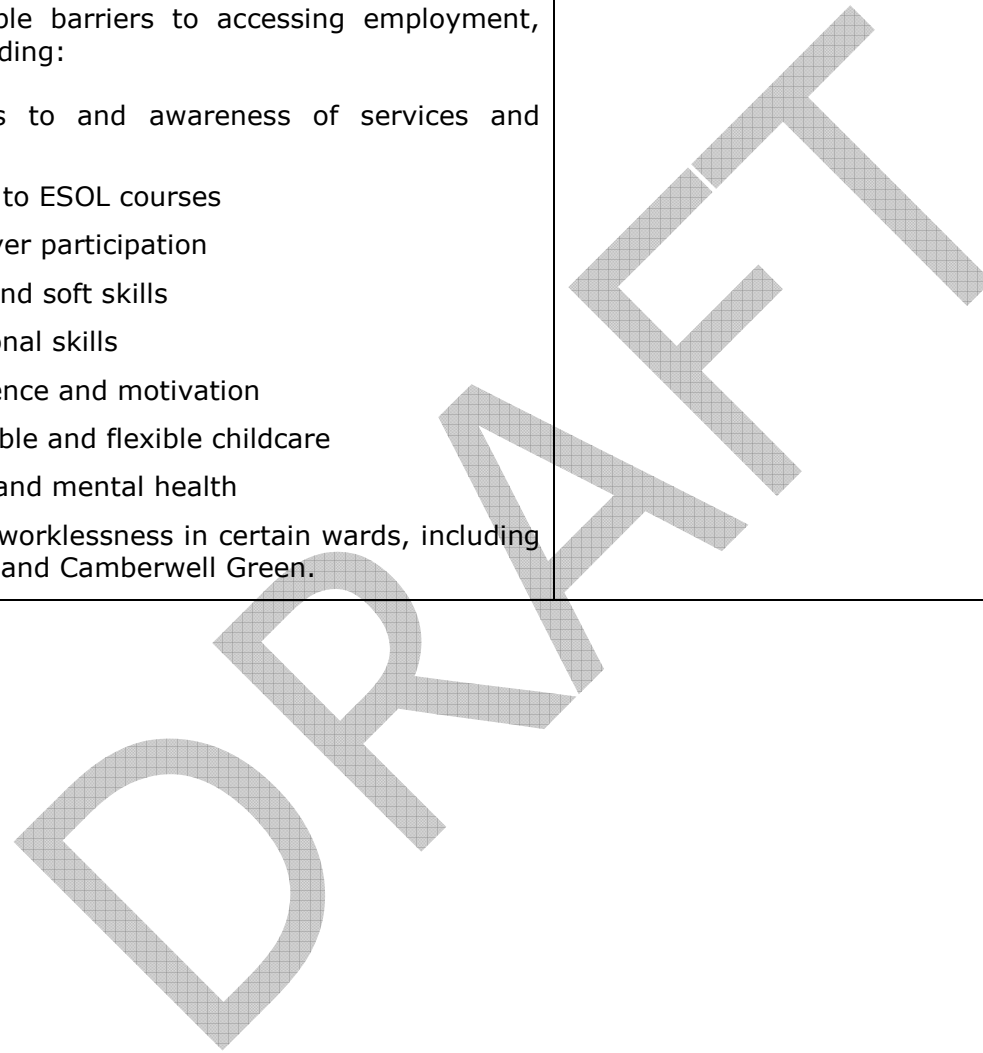
Rationale	Objectives
<p>The recession has led to rising levels of unemployment in Southwark which has increased pressure on employment services provision. It is important to ensure those furthest from the labour market are not marginalised even further because of the short term impacts of the recession.</p> <p>Levels of worklessness in Southwark are above average and concentrated among certain groups:</p> <ul style="list-style-type: none"> <li>• ex-offenders and young offenders</li> <li>• BME residents</li> <li>• women</li> <li>• young people</li> <li>• people with alcohol or drug dependency</li> <li>• homeless people</li> <li>• refugees</li> <li>• people with disabilities</li> <li>• over 50s</li> <li>• people with mental health needs</li> <li>• families with young children, particularly lone parents</li> </ul>	<ol style="list-style-type: none"> <li>1. Coordinate local and mainstream provision so that there is a seamless offer of specialist, personalised and tailored support to address barriers to employment for priority groups.</li> <li>2. Identify employment and skills provision in the borough highlighting gaps and duplication to inform our business case for future local provision.</li> <li>3. Develop more effective signposting, referral and co-ordination of employment, enterprise and financial inclusion services so that there is no “wrong door” for workless residents seeking support.</li> <li>4. Embed employability provision with housing, health, community safety and children’s services to extend the reach of employment support, and to tackle multiple barriers to employment.</li> </ol>

- long term unemployed

These residents face multiple barriers to accessing employment, training and education, including:

- limited access to and awareness of services and information
- limited access to ESOL courses
- limited employer participation
- limited basic and soft skills
- limited vocational skills
- limited confidence and motivation
- lack of affordable and flexible childcare
- poor physical and mental health

There are concentrations of worklessness in certain wards, including Nunhead, Livesey, Peckham and Camberwell Green.



## Employment Priority Two: Increase business and employer engagement

### Rationale

Despite strong jobs growth in the borough and a rapid expansion of the business base, many local residents remain without work. Employers have a vital role in tackling persistently high levels of worklessness.

Engagement with existing employers is crucial to increase employment opportunities for residents, increase job sustainability and to ensure employment and training provision meets employer demand.

Physical regeneration will continue to drive employment growth in Southwark through planned development schemes such as Elephant and Castle, Canada Water, and the Aylesbury Estate. Ongoing work with developers and local communities is needed to ensure that local residents benefit from these training and employment opportunities.

Continued engagement with public sector employers is needed to develop work placements and apprenticeships for priority groups and embed local economic benefits into procurement.

### Objectives

1. Engage more employers to identify skill needs and develop entry points for priority groups to access local employment and training opportunities.
2. Continue to promote and develop apprenticeships and work placements with local businesses and public sector partners.
3. Work with developers and regeneration partners to secure employment, training and apprenticeship opportunities for Southwark residents.
4. Co-ordinate business and employer engagement across services.
5. Continue to work with our partners to embed local economic benefits into procurement.

<b>Employment Priority Three: Raise skills for sustained employment</b>	
<b>Rationale</b>	<b>Objectives</b>
<p>Skills are central to increasing employment, helping people stay in work, giving people the opportunity to progress and increase earnings as well as free up entry level jobs for unemployed people.</p> <p>A high proportion of our residents lack the skills and qualifications that they need to be able to compete effectively in the labour market and take advantage of jobs in Southwark and elsewhere in London.</p> <p>Current educational reforms place an increasing emphasis on the needs of the local economy. To ensure that these links are made, it is necessary to develop effective employer engagement mechanisms in the educational agenda and improve the match between skills provision for young people and the current and future skills needs of employers.</p>	<ol style="list-style-type: none"> <li>1. Improve the links between enterprise and skills provision to meet employer demand.</li> <li>2. Promote vocational routes to employment and supported placement schemes such as modern apprenticeships and work placements.</li> <li>3. Promote the take up of in-work training to ensure that businesses benefit from appropriately skilled staff.</li> <li>4. Support the Southwark Children’s and Families Trust to implement the 14-19 commissioning statement integrating provision with employment and enterprise services.</li> </ol>

## 3. ENTERPRISE STRATEGY

### Background and context

- 3.1. Southwark's Community Strategy sets out a vision for the borough with goals to reduce inequality; improve life chances of all residents through economic well-being and educational potential; and, make the borough a better place by developing a vibrant economy whilst using resources sustainably. These ambitions will require an even greater degree of endeavour by the new Local Economy Group (LEG) in the light of the recent recession.
- 3.2. The context for the Southwark Enterprise Strategy has changed enormously since the documents were last reviewed three years ago and there are a number of new economic and policy drivers including the recession, reductions in public expenditure, and rapid changes to the business support landscape.
- 3.3. Partners in Southwark have already responded to the changed economic climate by: promoting Business Link's Rapid Response Service; providing intensive outreach support to struggling businesses, and; introducing flexible rent payment schedules on council owned commercial properties.
- 3.4. As the signs of emergence from recession appear, efforts are required to ensure that local businesses survive. Partners in Southwark are already responding to these challenges by: monitoring the impact of the recession across industry sectors; promoting the services of Business Link and other locally targeted support agencies, and; seeking to improve access to public sector contract opportunities through initiatives such as the Supply Southwark Group.
- 3.5. Future challenges for partners will arise with the **reduction of public expenditure**. In the face of reduced public expenditure we need to work increasingly in partnership to combine services to reduce costs. The current Total Place pilots may provide ways in which this can be done through assessing the total funding spent by public agencies in an area and considering ways in which it can be made more effective.
- 3.6. The Mayor of London's Economic Development Strategy<sup>10</sup> seeks to foster innovation, support business competitiveness, improve the quality of life and make London as attractive as possible to investment, business and workers. We will identify ways in which we can continue to work closely with the LDA and GLA in achieving joint objectives under new and emerging regional programmes, and collaborate with our partner boroughs in central London in achieving this.
- 3.7. The policy environment for enterprise support has changed and will continue to change significantly, with the development of the government's Solutions for Business service offering a streamlined portfolio of business support products, accessed via Business Link. In this model, partners will play a critical role in informing local provision including those services which we do not deliver ourselves, and in co-ordinating an appropriate range of provision related to identified business needs in the borough.

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<sup>10</sup> LDA, *The Mayor's Economic Development Strategy for Greater London, May 2010*



- 3.8. The strategic priorities for employment acknowledge the need for co-ordination of the supply of workforce skills with employer demand; the enterprise strategic priorities also seek to engage employers more effectively in order that they can inform the development of education and training and advise on a more responsive approach to local enterprise.

## Targets

- 3.9. The Southwark Local Area Agreement 2008-11 provides the framework for monitoring and focusing the implementation of the Economic Development Strategy, and sets out a series of performance indicators and targets that have been agreed by the Southwark Alliance and government. The key indicator for the enterprise strategy is the number of active enterprises in Southwark; the current target adopted by the LEG and the LSP for 2010-11 is to maintain the active enterprise count at the 2008 level of 12,845. The target for the new strategy will be to maintain the number of active enterprises in Southwark at this level through to 2013.
- 3.10. This target has been considered in the light of historical data, the delays in data collection and expected impact of the recession and will present as a considerable challenge, as equilibrium will have to be maintained between business registrations and de-registrations, i.e. a balance between a healthy survival rate and encouraging and sustaining start-ups and growth during a recession.

## Challenges and opportunities

- 3.11. Southwark has changed significantly over recent years, driven by the dramatic growth of the London economy, which has brought significant improvements in terms of employment growth, regeneration and environmental improvements. The number of jobs and businesses in the borough has expanded rapidly over the last decade, driven by growth in business services and concentrated in the central activities zone (CAZ).
- 3.12. The impact of the recession was much more pronounced for SMEs which represent a significant proportion of businesses in Southwark. Small businesses offer a narrower range of products and services and tend to be more vulnerable to market shifts. Lower consumer confidence, reduced spending and weak demand will pose further challenges to enterprise and business activity.
- 3.13. Businesses will also feel the impact of reduced public expenditure across practically every area of public sector provision.
- 3.14. Despite the challenges, there are also opportunities for the borough and its businesses. Small businesses can be well placed to respond to the changing needs of a customer/market, or to adapt to new market conditions, which can lead to new business developments and innovation.
- 3.15. Public expenditure will be significantly reduced, however there will continue to be opportunities for businesses to benefit from public sector procurement.

### **Southwark's role in London**

- 3.16. Southwark's local economic analysis sets out its relationship with the economy of the capital and its surroundings. The borough boundaries encompass part of the CAZ as well as areas of declining manufacturing industry, an area including part of inner London incorporating some of the country's most deprived neighbourhoods and some areas of wealthy suburban commuter-belt.
- 3.17. The spatial distribution of employment activities reflects the distance from the centre and the role of different industrial types in each area. Significant numbers of highly paid accountancy and other business services occupations are located in the north; the presence of the university and health facilities as well as the GLA, LDA and council, provide significant public employment in proximity to this zone. There are areas of warehousing slightly further out near Peckham, taking advantage of the opportunities for distribution industries of being fairly centrally located, but with lower priced premises; and beyond that, industry is more reflective of the service needs of the general population.
- 3.18. Until the end of 2008 Southwark's economy was expanding rapidly. Looking at London forecasts, the GLA suggests that while many sectors are currently experiencing a downturn and in particular financial services, business and professional services, real estate and consumer industries, this will be a short-term cyclical phenomenon, and in the medium term growth in all these sectors will resume. Forecasters suggest that London's employment growth will, after some time, resume its upward trajectory. However the rate of future growth cannot be assumed and the council and its partners have an important role to play in ensuring the conditions for growth and recovery are in place.

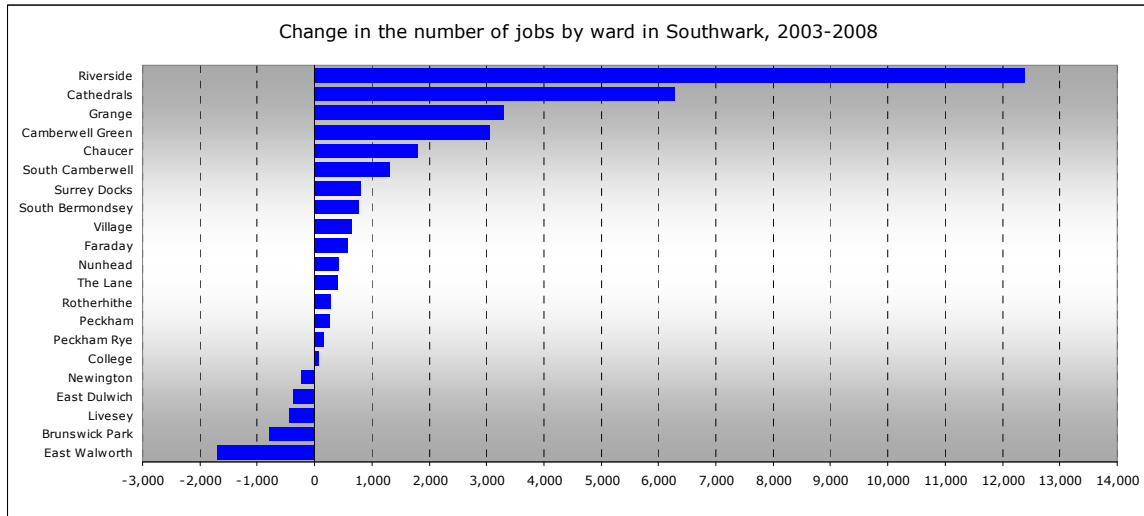
### **Significant growth and regeneration**

- 3.19. Over the past decade, there has been a rapid expansion of the business base coupled with considerable jobs growth. There are some 13,500 companies operating in Southwark<sup>11</sup>. The size of the business base has increased by 4,100 firms (+43%) since 1998 outstripping the Inner London (+17%) and regional (+17%) average growth.

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<sup>11</sup> Annual Business Inquiry, ONS, 2008

## CHANGE IN THE NUMBER OF JOBS BY WARD IN SOUTHWARK, 2003-2008



Source: Annual Business Inquiry 2008

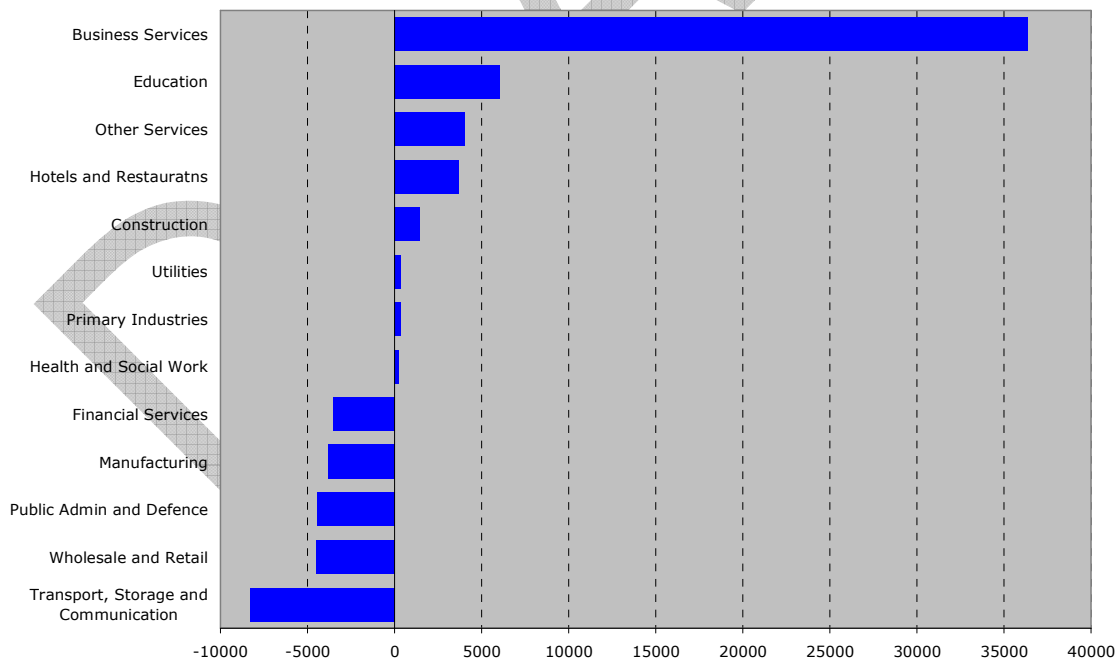
- 3.20. Employment grew by 29,100 jobs (20%) between 2003 and 2008. Growth has been concentrated in Cathedral (+6,300 jobs or +13%), and Riverside (+12,400 jobs or +68%) wards, both of which include parts of the CAZ.
- 3.21. Parts of Southwark have been transformed in recent years through significant physical regeneration with developments such as MoreLondon providing a catalyst for recent employment growth and job creation. This regeneration will continue to be an important feature in the future through development schemes such as Elephant and Castle, Canada Water, and the Aylesbury estate. The preferred locations for growth are set out in Southwark's Core Strategy and include:
- Bankside, Borough and London Bridge Opportunity area – forms part of the CAZ and the area will continue to be home to a mix of uses providing high quality office accommodation alongside world-class retail, tourism, culture and entertainment facilities and public spaces providing over 1,900 new homes and 25,000 new jobs by 2026.
  - The Elephant and Castle Opportunity area – forms part of the CAZ and the area has potential for redevelopment into an attractive central London destination. The vision for the area includes stimulating 440,000 sqm of new development with up to 45,000 sqm of new shopping and leisure floor space and 25,000-30,000 sqm of business floorspace with the creation of 5,000 new jobs. Public transport will become more accessible through a programme of planned improvements in conjunction with Transport for London and Network Rail. Moreover, London South Bank University and London University of the Arts will develop further as important centres of learning and innovation.
  - Peckham and Nunhead action area – Peckham town centre is the largest town centre in Southwark and changes and improvements will be guided by an area action plan. The vision for the area is for more new homes and offices to be built, as well as a small increase in retail space, mainly around the Peckham town centre. New development will help the area's independent shops, businesses and creative industries flourish.

- Canada Water and Rotherhithe action area – the plan is to transform Canada Water into a town centre, with a strengthened role as a shopping destination by expanding retail space by around 35,000 sqm and providing a more diverse range of shops, including a department store and independent shops. The area will provide at least 2,500 high quality new homes, which will be accommodated in generally mixed use development. The corresponding office development will provide much needed space for local occupiers which, together with retail development, will generate around 2,000 new jobs.
- 3.22. While there are currently no specific targets for Camberwell it is an important town centre and an area with many independently run small and medium businesses. The council's emerging vision for this area is likely to concentrate on improving its "liveability" and to develop the range and sustainability of the town centre business and activities, with improvements to transport and open spaces.

### **The economy is heavily reliant on business services**

- 3.23. The business services sector has driven growth in the number of firms in Southwark. The number of companies in this sector increased by 3,030 between 1998 and 2008 a growth rate of 106%, much higher than Inner London (+49%), London (+46%) and GB (+53%). The number of firms in hotels and restaurants (+280 firms), other services (+360 firms), and health and social work (+280 firms) increased at a significantly faster rate than the sub-regional, regional and national averages.

### **CHANGE IN THE NUMBER OF FIRMS BY SECTOR, 1998-2008**



Source: Annual Business Inquiry 2008

- 3.24. As suggested by the chart above, the business services sector has been responsible for the majority of jobs growth in the borough since 1998. Since 1998 the sector has contributed 36,400 new jobs to the economy, a growth rate of 118%. This is much higher than the rate of growth across the sub-

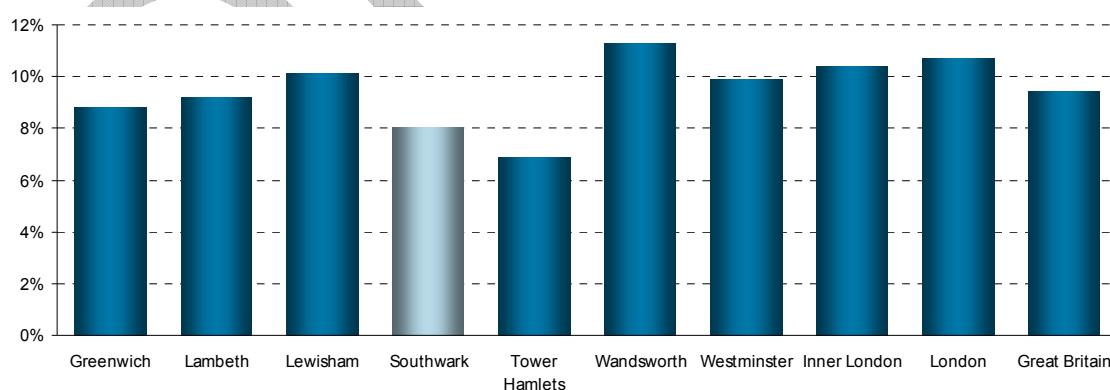
region as a whole (+44%). Other services, hotels and restaurants, education and construction have also expanded rapidly since 1998. Hotels and restaurants has seen growth of 3,670 jobs, a growth rate of 59%, in contrast to growth of just 24% across London as a whole and 28% in Inner London. Employment in the education sector has also grown more rapidly (+6,070 jobs or +63%) than the Inner London average (+27%). Other services grew by 4,070 jobs (+47%) over the period, also above the sub-regional (+24%) and regional (+26%) growth rates. The construction sector was the only other growth sector locally (+1,460 jobs or +32%), while the sector experienced a fall in the number of jobs in Inner London (-2%) and London as a whole (-9%).

- 3.25. Competitive economies tend to be those with clearly identifiable specialisms or clusters of activity, which stimulate productivity growth. It is possible to identify sector strengths in the borough which have the potential to drive employment and productivity growth in the future, such as: knowledge intensive business services; higher education; creative and cultural industries; and tourism.

### **Levels of self employment and business start ups are low**

- 3.26. Despite strong overall growth, business density and formation rates are below the regional average. Business density in 2007<sup>12</sup> (the number of businesses per 1,000 adult population) in Southwark (55) is lower than the London average (63) and considerably below the Inner London average (88)<sup>13</sup>. Business formation rates (per 10,000 resident adults) in Southwark are also lower than the regional figures. In 2007, there were 2,180 business formations, the company registration rate stood at 96 per 10,000 resident adults compared to: 123 in Tower Hamlets; 110 in Wandsworth; and 103 in London as a whole. However, borough level data obscures the geographical distribution of activity in the borough – business formations are likely to be very high in the north and relatively low elsewhere.

#### **SELF EMPLOYMENT RATE, 2008**



Source: Annual Population Survey, April 2007 – March 2008

<sup>12</sup> Business Demography, ONS, 2007

<sup>13</sup> It should be noted that Inner London average is considerably inflated by the City of London which has an extremely high businesses density rate (1,963 per 1,000 adult population) owing to a higher number of businesses and a very small resident population

- 3.27. Self employment rates suggest that there is a lack of entrepreneurial culture among Southwark's resident population, with particularly low levels of self employment among women. The self-employment rate is relatively low in Southwark compared to many of the other Inner London boroughs displayed in the chart above. In 2008, there were 15,000 self employed residents in Southwark the equivalent of just 8% of the working age population. This was lower than the Inner London average (10%), the London average (11%), and the neighbouring boroughs of Wandsworth (11%), Lewisham (11%) and Westminster (10%). Just 4% of working age women in the borough are classed as self employed compared to 11% of men.

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## Priorities for action - Enterprise

<b>Enterprise Priority One: Support existing businesses</b>	
<b>Rationale</b>	<b>Objectives</b>
<p>As the economy emerges from recession, with a cyclical recovery period, it is important to ensure that good local businesses are not lost. We will create the conditions in which businesses in Southwark can compete effectively within London, across the UK and in the international arena.</p> <p>The impact of the recession was more pronounced for SME's which represent a high proportion of businesses in Southwark. Reduction in public expenditure will have a further impact on existing businesses.</p> <p>The most successful economies combine economic specialisation with diversity. Specialisation drives wealth creation and builds sustainable competitive advantage; diversity makes places more resilient and less susceptible to economic shocks. Reducing the dependence on financial services will make the economy more sustainable. Provision of a wider range of services locally will reduce need to travel out of the borough.</p> <p>We recognise the importance of our key sectors in driving economic growth in the borough – knowledge intensive business services, higher education, creative and cultural industries, and tourism.</p>	<ol style="list-style-type: none"> <li>1. Co-ordinate, align and rationalise business support in the borough with local, regional and national delivery partners to improve access to information and appropriate support.</li> <li>2. Support local SMEs to access procurement opportunities and build their capacity to compete effectively.</li> <li>3. Continue to support business networks, including support for sector-led business networks.</li> <li>4. Promote green business initiatives and encourage greater levels of recycling and re-use, energy conservation, carbon reduction, and greener travel to work patterns.</li> <li>5. Support growth of businesses in key sectors, including the development of the green economy.</li> <li>6. Develop links with further and higher education institutions to support emerging knowledge intensive businesses.</li> </ol>

<b>Enterprise Priority Two: Develop key business districts and town centres</b>	
<b>Rationale</b>	<b>Objectives</b>
<p>Southwark has experienced a rapid expansion of its business base coupled with considerable jobs growth over the last decade. This growth has been concentrated in the north of the borough in and around the CAZ. We will continue to support business growth in the CAZ and use this opportunity to drive growth in employment into other parts of the borough through regeneration and inward investment.</p> <p>Development of business districts, town centres and creation of sustainable communities with the right mix of residential, leisure and commercial activity are vital to improving the quality of life and opportunities for the borough’s residents and businesses. Increased private sector investment is essential for Southwark to achieve its regeneration ambitions.</p> <p>Preferred locations for growth and commercial districts include:</p> <ul style="list-style-type: none"> <li>• Bankside, Borough and London Bridge</li> <li>• Elephant and Castle</li> <li>• Peckham and Nunhead</li> <li>• Canada Water and Rotherhithe</li> <li>• Camberwell</li> </ul>	<ol style="list-style-type: none"> <li>1. Support the development of regeneration schemes across the borough while maximising access to business opportunities.</li> <li>2. Promote and market the borough to inward investors.</li> <li>3. Support and stimulate enterprise activity in our town centres.</li> <li>4. Support the provision of business space including affordable premises and managed workspaces.</li> <li>5. Improve commercial districts.</li> </ol>



<b>Enterprise Priority Three: Increase business start ups</b>	
<b>Rationale</b>	<b>Objectives</b>
<p>Despite a rapid expansion of the business base over the last decade overall business density in the borough remains low, business start ups are below average and levels of self-employment (particularly amongst women) lag behind the regional average.</p> <p>To increase economic activity we need to stimulate enterprise and encourage the growth of an entrepreneurial culture and use the opportunity presented by economic growth in the central activity zone to drive growth across the borough.</p>	<ol style="list-style-type: none"> <li>1. Promote self employment as a route into work for workless residents.</li> <li>2. Improve access to pre-start business support and advice, particularly for priority groups.</li> <li>3. Encourage business start ups.</li> <li>4. Work with employers to promote enterprise in schools.</li> <li>5. Develop business mentoring networks.</li> <li>6. Identify opportunities to convert activities of community organisations into social enterprise.</li> </ol>

## 4. DELIVERING THROUGH PARTNERSHIPS

- 4.1. While Southwark has been successful in reducing the gap with the London average, levels of unemployment and economic inactivity in Southwark are still relatively high for central London. We have agreed that to achieve reductions we need a step change in effectiveness in moving people into employment across our services. We recognise that in the context of reduced public expenditure we need to work together more intelligently to achieve this step change. We need to find ways of working more effectively with businesses, providers of employment support, business support and training, the health sector, education and housing services, and with other partners. We need to raise awareness among our residents of the support available and work to create a seamless and joined up offer for residents, businesses and employers so that there is no 'wrong door'.
- 4.2. As a partnership we will continue to make the business case for local, flexible funding to fill the gaps in standardised, nationally or regionally designed mainstream provision.
- 4.3. Southwark Alliance, the Local Strategic Partnership for the borough, brings together the main agencies with a responsibility for and an influence on the public policy and services that shape the future of the borough. As one of five thematic partnerships acting on behalf of the LSP, the Local Economy Group is responsible for implementing the economic development strategy.
- 4.4. The Southwark Alliance Local Economy Group (LEG) brings together statutory, voluntary, community and business sector representatives to jointly determine priorities for developing Southwark's economy. Objectives are aligned to Southwark's Community Strategy objectives and priorities:
  - Improving individual life chances - achieve economic well-being and achieve educational potential
  - Making the borough a better place for people – a vibrant economy
- 4.5. The LEG also has ownership of relevant national indicators which measure the current Local Area Agreement up to March 2011 (see 3.6 and 4.7).
- 4.6. One crucial role for the LEG is to provide a forum for monitoring the rapidly changing policy and resource environment for economic development; as the complicated map of employment and enterprise support activity changes, the challenge to the partnership and a major element of its work programme will be to understand these changes and identify how to adapt to them.

### RESOURCES

- 4.7. Implementation of the economic development strategy will be through influence over and collaboration with partner resources, and through other external sources of funding. Partners also bring a range of expertise to the LEG that will be used to shape service delivery and influence economic development policy and other policies and strategies.

- 4.8. The following table lists LEG members, describing each partner, their role in the group, their expertise and the networks they represent. This demonstrates the value of the partnership as a whole in influencing economic development in Southwark. Due to the rapidly changing policy and resource landscape at the time this strategy is being developed, this table is an indicative snapshot of the partnership as of August 2010 and is subject to change.

<b>Partner</b>	<b>Role</b>
Business Improvement Districts	Representation of substantial and influential networks of businesses, working to improve locations for commercial activity. Facilitation of business involvement with the local community by supporting education, employment and environment initiatives. Helps businesses meet, learn from, trade and support each other.  The LEG has three BID representatives, from Better Bankside (vice chair of LEG), Team London Bridge and Waterloo Quarter.
Business Link in London (BLIL)	Provides start up advice and development support to small to medium sized businesses. Connects businesses to expert help and provides intensive support to businesses that are ready to grow and create jobs. BLIL is the principal gateway to programmes, services and individuals providing business support. Through its services BLIL has an understanding of the issues and needs of supported businesses.
Ethnic minority business network representative	Black Business Initiative (BBI) is a support agency with a mission to promote, sustain and reward entrepreneurship to BME businesses. BBI achieves this through providing a forum for networking for existing and prospective new BME enterprises. It also organises annual business awards to recognise and reward success among its diverse communities.
Flexible New Deal (FND) providers	Operate in regions across London and the UK so can provide a view of service implementation in Southwark and elsewhere in the UK. Expertise on providing personalised programmes for people claiming JSA and working with employers (e.g. on work experience programmes). Flexibility to shape programme design and delivery.  The LEG has representatives from both FND providers in Southwark, A4E and Calder.
Jobcentre Plus	Direct provision and commissioning of employment support programmes and welfare benefits to residents and access to a network of advisers and delivery locations – the most significant single resource aimed at reducing worklessness. Provision of information on DWP initiatives and a cross borough view by virtue of district and regional structures.
London South Bank University	Offers a wide range of undergraduate and postgraduate vocational degree courses which gear students towards future employment. The university has over 25,000 students and four faculties; arts and human sciences; business; engineering,

	<p>science and the built environment; health and social care. The university works with schools, colleges and the local community to raise aspirations amongst young people and promote the benefits of higher education.</p> <p>LSBU supports businesses wishing to improve their competitiveness and productivity through the provision of training courses, consultancy, research and Knowledge Transfer Partnerships (KTPs).</p> <p>The London Knowledge Innovation Centre (LKIC) is a joint venture with Business Extra, providing practical business advice, innovation support and serviced office space.</p> <p>The Centre for Efficient and Renewable Energy in Buildings (CEREB) provides research, teaching and technical demonstrations of environmentally sustainable energy systems in buildings.</p>
Skills Funding Agency	<p>Agency of the Department for Business, Innovation and Skills (DBIS) that funds and regulates adult further education and skills training. Investment in colleges and training organisations in Southwark, including revenue funding for courses and capital improvement works. Links with employers through provision of skills support and work with sector skills council. Home to National Apprenticeship Service and delivers Integrated Adult Careers Service. Expertise and knowledge of further education sector and can inform national policy.</p>
Southwark Chamber of Commerce	<p>Representation for subscribing member businesses and non member businesses. Advising, lobbying and influencing on economic policy to and with a range of statutory bodies. Professional skills and abilities in signposting businesses to expert knowledge on a wide range of markets and sector issues. Creating and building business networks with shared interests.</p>
Southwark College	<p>Provision of essential vocational pathways for 14 - 16 year olds, 16 - 19 year olds and adults that include a wide range of qualifications such as NVQs, Apprenticeships, BTECs and City &amp; Guilds qualifications.</p> <p>The college delivers a broad range of curriculum specialisms with programmes available from entry level to level 3. Extensive provision is available for ESOL and Learners with Learning Difficulties and Disabilities (LLDD) and for those learners requiring literacy, numeracy, functional or essential skills to support progress along a vocational pathway.</p> <p>A wide range of partnerships with businesses and public sector organisations along with delivery of bespoke training solutions for employers.</p>
Southwark Council	<p>Leads the regeneration of the borough. Research, influence, partnership building and project development led by the council's economic development and adult learning representatives; leveraging of resources and expertise from across the council</p>

	<p>and promoting the economic development agenda across council departments/divisions. Commissions employment support, training and enterprise support programmes. Facilitation of Local Economy Group meetings and development of strategy and work plans on behalf of LEG.</p> <p>Influence through sub-regional partnerships and collaboration with other London boroughs. Influence over national and regional statutory agencies, and a co-ordinating role on behalf of economic development within the council's full range of services, powers and responsibilities, including housing, education, planning, physical regeneration, health and social care.</p>
Southwark Works	<p>Southwark Works is the council's partnership of specialist employability skills providers for delivery of support to the borough's most disadvantaged unemployed residents. A team of specialist employment advisers engage with workless clients through a range of other services including the NHS, Housing and Social Services. They provide expert, one to one support to tackle clients' barriers to working and have in-house access to job brokerage and an employer engagement team.</p> <p>Currently, Southwark Works is the council's main programme for provision of employment support.</p>
Voluntary and community sector representatives	<p>Advocacy for the sector: expertise on engaging with the largest and newest communities in Southwark and provision of training and capacity building for the voluntary sector and specialised or localised client groups.</p> <p>Representatives from Community Action Southwark and Peckham Settlement.</p>

September 2010

## Appendix 2

### EMPLOYMENT STRATEGY DELIVERY PLAN YEAR 1: 2010 – 2011

#### PRIORITY 1 - Tackle the barriers to work faced by priority groups

**Focus:** We will work with our partners to develop projects to improve the employment prospects of our priority groups.

**Rationale:** Levels of worklessness in Southwark are concentrated among certain groups in our community who face multiple barriers to employment, training and education which put them at a disadvantage in the labour market. There is also a geographical dimension to concentrations of worklessness in the borough. We need a step change in the rate at which we move people into employment and working more effectively together will become even more important in the context of reduced public expenditure and the continued impact of the recent recession.

#### Expected Outcome and Related Indicators

Our targets for increasing employment for priority groups are reflected in Southwark's Local Area Agreement (LAA) targets which are shared across LSP thematic partnerships:

- Working age people on out of work benefits (NI 152)
- Working age people on out of work benefits in the worst areas (Local)
- ESOL provision (Local)
- Inequality Gap reduction in attainment at 19 Level 2 (NI 82)
- % of the working age population with no qualifications (Local)
- 16-18 year olds Not in Employment, Education and Training (NEET) (NI 117)
- Young offenders engagement in suitable education, employment and training (NI 45)
- Care leavers in education, training or employment (NI 148)
- Proportion of offenders in employment at the end of their order or licence (NI 144)
- Adults with learning disabilities in employment (NI 146)
- Adults in contact with secondary mental health services in employment (NI 150)

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
1. Coordinate local and mainstream provision so that	Advisory support to Jobcentre Plus customers with a focus on priority groups such as young people, lone parents, those with health problems or	2010/2011	Mainstream contribution to LAA Target NI 152 – Working age people on out	Jobcentre Plus	DWP	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
<b>there is a seamless offer of specialist, personalised and tailored support to address barriers to employment for priority groups.</b>	<p>disabilities, and those customers who are furthest away from the labour market.</p> <p>Support will include advice and guidance as well as referral to contracted and non-contacted provision. By 2011 this will include programmes such as The Single Work Programme, Work Choice, Workclubs.</p>		of work benefits			
	Flexible New Deal	Ends June 2011	<p>Mainstream contribution to LAA Target NI 152 – Working age people on out of work benefits</p> <p>Intensive, personalised support for long-term unemployed clients (JSA claimants over 12mths) referred by Jobcentre Plus.</p>	Calder, A4E	DWP	
	Adult Advancement and Careers Service	<p>Pilot 2009-2010</p> <p>National roll out July 2010</p>	Introduction of national on-line and telephone skills and training advice service to adults to enter employment and for career progression.	SFA, Prospects	BIS	
	<p>Pathways to Work for IB/ESA customers</p> <ul style="list-style-type: none"> <li>• employability skills</li> <li>• condition management</li> <li>• training</li> <li>• work experience</li> <li>• job search</li> </ul>	2010/11	<p>Mainstream contribution to NI 152 – Working age people on out of work benefits and NI 150</p> <p>Supporting IB/ESA claimants who require personalised interventions support to overcome health and disability issues to enter and sustain employment</p>	Ingeus	DWP	
	Southwark Works	2010/11	<ul style="list-style-type: none"> <li>• 242 job outputs</li> <li>• 236 accredited training</li> <li>• 420 non accredited training</li> </ul>	Southwark Council and delivery organisations	WNF, Southwark Council	
	Future Jobs Fund	Ends June 2011	112 young people into jobs of 9 months' duration or longer	Southwark Council and delivery organisations	DWP, WNF	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
	WNF/EDT Contracted Funds Projects (excluding Southwark Works)	2010/11	<ul style="list-style-type: none"> <li>787 job outputs</li> <li>526 accredited training</li> <li>429 non-accredited training</li> </ul>	Southwark Council and delivery organisations	WNF, Southwark Council	
<b>2. Identify employment and skills provision in the borough highlighting gaps and duplication to inform our business case for future local provision</b>	Conduct a mapping exercise of all employment and skills provision in the borough	April 2010 – Sept 2010	Complete mapping exercise	Local Economy Group, Southwark Council, Central London Forward, Jobcentre Plus	Within partner resources	
	Identify gaps and duplication in borough wide provision by all partners	Sept 2010 – April 2011	<ul style="list-style-type: none"> <li>Complete borough survey</li> <li>Prepare 3 discussion papers for the Central London Forward sub-regional Worklessness programme</li> </ul>	Local Economy Group, CLF Board and Heads of Economic Development groups	Within partner resources  LDA, Capital Ambition, CLF	
<b>3. Develop more effective signposting, referral and coordination of employment, business start up and financial inclusion services for job seekers</b>	Improve links between employment, business support and advice services provision.	April 2010 – April 2011	Capacity and networking events held between service providers to workshops to improve signposting and awareness of services	Local Economy Group Financial Inclusion Forum	Within partner resources	
	Increase EDT contracted providers awareness of services offered by financial inclusion service providers	April 2010-11	<ul style="list-style-type: none"> <li>Workshop/open space event for providers with members of Financial Inclusion Forum</li> <li>Launch and promotion of Southwark Legal Advice Network partnership website July 2010 to facilitate joint working, information sharing and referrals</li> </ul>	Southwark Council, Financial Inclusion Forum	Within partner resources	
<b>4. Embed</b>	Provide outreach employment services through	Ongoing	<ul style="list-style-type: none"> <li>To make employment</li> </ul>	Southwark Families	Within	



Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
<b>employability provision in housing, health, community safety and children's services</b>	Children's Centres, Extended Schools Services and other services.		support available through every Children's Centre in the borough <ul style="list-style-type: none"> <li>• Link JCP advisors to Children's Centre locality managers</li> </ul>	and Children's Trust, Southwark Council Children's Services, Jobcentre Plus	partner resources	
	School Gates Initiative – providing access to Jobcentre Plus employment advice in Rotherhithe area.	Oct 2009- March 2011	<ul style="list-style-type: none"> <li>• To have an advisor present in Redriff primary school by the end of Q1</li> <li>• To extend advice to parents in other Rotherhithe schools by the end of Q3</li> <li>• To engage 300 parents by end of Q1</li> <li>• To increase JCP advisor caseload to 20 parents by end of Q1</li> </ul>	Southwark Families and Children's Trust, Jobcentre Plus, Local Economy Group	Child Poverty Unit	
	DWP Livesey Estate Outreach project	June 2010 to March 2012	<ul style="list-style-type: none"> <li>• Engage 500 individuals in year one</li> <li>• 165 job outcomes</li> <li>• Be on site on all Livesey estates in the first year of delivery</li> </ul>	Southwark Families and Children's Trust DWP/Jobcentre Plus, Neighbourhood Management	DWP	
	Childcare Affordability Programme	March 2011	<ul style="list-style-type: none"> <li>• 216 into employment</li> <li>• 143 into 12 month sustainable employment</li> </ul>	Southwark Councils Children's Services	LDA	
	Southwark Works advisers located in Bournemouth Road Housing Options Centre	April 2010 to March 2011	Support Housing Initiatives <ul style="list-style-type: none"> <li>• 4 bidding events</li> <li>• 2 initiative events</li> <li>• 1 finance/well-being event</li> </ul>	Southwark Strategic Housing Partnership, Southwark Works, Southwark Housing Options	DCLG, WNF, Southwark Council	
	Foot in the Door – Support to access part-time retail employment opportunities for young people aged 16-18 whilst still in full time education	March 2011	<ul style="list-style-type: none"> <li>• 60 work placements</li> <li>• 48 beneficiaries training/non-accredited qualifications</li> </ul>	Southwark Families and Children's Trust, Southwark 14-19 Partnership, Southwark Council, Young People's Learning Agency, Southwark Works	Southwark Council, WNF, Corporation of London, S106	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
	Local Economy Group represented on Reducing Re-Offending Board by Jobcentre Plus and Southwark Council Economic Development Team	2010-2011	<ul style="list-style-type: none"> <li>Representative identified and attending meetings</li> <li>Reports back to the Local Economy Group</li> </ul>	Safer Southwark Reducing Re-offending Board, Local Economy Group, Southwark Council, Jobcentre Plus	Within partner resources	
	Conduct a rapid Health Impact Assessment on the draft Employment & Enterprise Strategies	November 2010	<ul style="list-style-type: none"> <li>Recommend opportunities for increasing the health opportunities within economic strategic priorities.</li> <li>Priorities for action to be fed into 2010/2011 delivery plans.</li> </ul>	Adult Health and Wellbeing Board, Local Economy Group	PCT	

## PRIORITY 2 - Increase business and employer engagement

**Focus:** We will continue to work in partnership with the local business community building on successful initiatives to engage employers with the worklessness agenda in Southwark. We will also explore new mechanisms for engaging private sector employers as well as continuing to work with public and third sector partners, particularly the health sector as an important employer, to develop work placements and apprenticeships for priority groups and embed local economic benefits into public sector procurement.

**Rationale:** Despite strong jobs growth in the borough over the last decade many local residents remain without work. Improving how we work with local employers, developers and regeneration partners is vital in tackling persistently high levels of worklessness despite significant jobs growth.

### Expected Outcome and Related Indicators

More and better co-ordinated business and employer engagement to support our targets in getting priority groups into work and accessing training and skills opportunities.

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
<b>1. Engage more employers to identify skill needs and develop entry points for priority groups to access local employment and training</b>	Southbank Employers Group (SBEG) employment, training and apprenticeship recruitment programme	April 2010 – July 2010	<ul style="list-style-type: none"> <li>15 people into employment</li> <li>3 apprenticeships</li> <li>22 training placements</li> </ul>	Southbank Employers Group, Southwark Works, Southwark Council	Southwark Council	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
<b>opportunities</b>						
	Business Improvement Districts (BIDs) employer engagement research and implementation programme.	April 2010 – October 2010	<ul style="list-style-type: none"> <li>Identify key businesses and major employers in the BIDs area and in rest of the borough</li> <li>Pilot programme completed</li> <li>Stakeholder event to recommend forward strategy</li> </ul>	Southwark Council, The Means, LEPU, Team London Bridge, Better Bankside, Waterloo Quarter	WNF	
	Research and pilot SME employer engagement mechanisms	April 2010 – October 2010	<ul style="list-style-type: none"> <li>Research programme completed, focusing on under represented groups</li> <li>Stakeholder event recommending forward strategy</li> </ul>	Southwark Council, The Means, Black Business Initiative, LEPU	WNF	
<b>2. Continue to promote and develop apprenticeships and work placements with local businesses and public sector partners</b>	Council Apprenticeship Programme	2010/11	22 council apprenticeships	Southwark Council	DWP (Future Jobs Fund), Southwark Council, WNF	
<b>3. Work with developers and regeneration partners to secure employment, training and skills and apprenticeship opportunities for Southwark residents</b>	Bankside Logistics Forum - Developers and contractors sign up to a specific commitment of employment and apprenticeship opportunities for residents and for delivery of Work Place Coordinator activity upon gaining membership of Bankside Logistics Forum	2010/2011	<ul style="list-style-type: none"> <li>A minimum of two jobs fairs held with developers and contractors</li> <li>Monthly meetings to inform best practice and share information on forthcoming opportunities</li> </ul>	Southwark Council, Better Bankside, developers, contractors	Within partner resources	
	Elephant and Castle Early Housing Sites (Consortium B)	2011-2012	<p>Targets for the lifetime of the project:</p> <ul style="list-style-type: none"> <li>210 starters</li> <li>105 CSCS/basic skills</li> <li>210 IAG sessions</li> <li>40 ESOL, literacy and numeracy qualifications</li> <li>105 people into jobs</li> </ul>	Southwark Council, RSL Consortium B - Wandle Housing, London & Quadrant, Guinness Housing	Southwark Council Development Funding	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
	Canada Water	2010-2012	Targets for the lifetime of the project: <ul style="list-style-type: none"> <li>• 150 starters</li> <li>• 75 CSCS/basic skills</li> <li>• 150 IAG sessions</li> <li>• 30 ESoL, literacy and numeracy qualifications/short courses</li> <li>• 150 people into jobs</li> </ul>	Barratt East London, BL Canada Quays, Canada Water Economic Steering Group, Southwark Council	Southwark Council Development Funding	
	Section 106 agreements on major developments in the borough:  Transforming Tate Modern	2010-2012	Targets below are for the lifetime of the project: <ul style="list-style-type: none"> <li>• 120 starters</li> <li>• 70 CSCS/basic skills</li> <li>• 30 ESoL, literacy and numeracy qualifications/short courses</li> </ul>	Mace Sustain, Tate Galleries, Southwark Council	Southwark Council Development Funding	
	Camberwell Grove	2010-2011	<ul style="list-style-type: none"> <li>• ICE courses</li> <li>• 70 people into jobs</li> <li>• 24 starters</li> <li>• 30 CSCS courses</li> <li>• 6 basic skills</li> <li>• 6 NVQ 1 and 2</li> <li>• 6 work experience</li> <li>• 12 people into jobs</li> </ul>	St. George Plc, Southwark Council	Southwark Council Development Funding	
	NEO Bankside	2010-2012	<ul style="list-style-type: none"> <li>• 70 starters</li> <li>• 70 CSCS courses</li> <li>• 70 IAG sessions</li> <li>• 30 ESoL, literacy and numeracy qualifications/short courses</li> <li>• 24 NVQ 1 and 2</li> <li>• 70 People into jobs</li> </ul>	Carillion, Native Land, Carillion Training, Southwark Council	Southwark Council Development Funding	
<b>3. Continue to work with our partners to embed local economic benefits into procurement</b>	Build economic benefit expectations into procurement processes and link suppliers and contractors to Southwark programmes supporting employment, skills and training		Increased employment and skills opportunities for local residents through local contracts	Southwark Council; Local Economy Group; Adult Health and Well-Being Board	Within partner resources	

### PRIORITY 3 - Raise skills for sustainable employment

**Focus:** We will work increasingly closely with children's and young people's services supporting the delivery of key targets in the Children and Young People's Plan 2010-2013 and with employers to inform the development and growth in vocational provision and create more supported work experience opportunities for young people. We will also work to support improved quality and accessibility of Information Advice and Guidance. We will promote the take-up of in-work training by local employers.

**Rationale:** We need to ensure that our residents have the right skills to be able to compete in the London labour market now and in the future. Although our population includes a high proportion of well qualified people it also includes an above average proportion of people with no qualifications and low skills levels. Almost one fifth of young people aged 16 – 19 have no formal qualifications and although improving, the level of young people not in employment, education or training (NEET) is above average. Current educational reforms place an increasing emphasis on the educational system to reflect the needs of the local economy and ensure skills provision for young people is geared up to meet the current and future skills needs of employers.

#### Expected Outcome and Related Indicators

- N1 163 – % of working age population qualified to at least Level 2 or higher
- ESOL provision (Local)
- Inequality Gap reduction in attainment at 19 Level 2 (NI 82)
- % of the working age population with no qualifications (Local)
- 16-18 year olds Not in Employment, Education and Training (NEET) (NI 117)

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
<b>1. Promote vocational routes to employment and supported placement schemes such as modern apprenticeships and work placements</b>	Provision of essential vocational pathways for 14 - 16 year olds, 16 - 19 year olds and adults that include a wide range of qualifications such as NVQs, Apprenticeships, BTECs and City & Guilds qualifications amongst others.	Ongoing	Mainstream contribution to <ul style="list-style-type: none"> <li>• N1 163 – % of working age population qualified to at least Level 2 or higher</li> <li>• Local indicator - % of the working age population with no qualifications</li> </ul>	Southwark College	SFA	
	Developing provision for ESOL and LLDD learners and for those learners requiring literacy, numeracy, functional or essential skills to support their progress along a vocational pathway.	Ongoing	Mainstream contribution to <ul style="list-style-type: none"> <li>• NI 146 - adults with learning disabilities in employment</li> <li>• Local indicator – ESOL provision</li> </ul>	Southwark College	SFA	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
	Promote vocational higher education and raise student aspirations within schools, colleges and the local community in association with Aimhigher representatives in schools and the council.	2010-11	Events in schools, taster and information days at the University, individual and group mentoring and revision support sessions and annual Widening Participation Summer School.	London South Bank University	LSBU	
<b>2. Promote the take up of in-work training to ensure that businesses benefit from approximately skilled staff</b>	Work with Business Link in London and London Brokerage to promote the national skills service Train to Gain.	2010-2011	<ul style="list-style-type: none"> <li>• Develop borough specific information for employers</li> <li>• Develop sector specific information to employers</li> <li>• Support council organised events for employers</li> </ul>	Local Economy Group	Within partner resources	
<b>3. Support the Southwark Children's and Families Trust to implement the 14-19 commissioning statement integrating provision with employment and enterprise services</b>	Integrate the work of Connexions, and other 14-19 Information Advice and Guidance provision with employment and enterprise services.	2010-2011	Complete feasibility report into joint delivery options for IAG provision for adults and young people.	Southwark Council	Currently within partner resources	

## Appendix 3

### ENTERPRISE STRATEGY DELIVERY PLAN YEAR 1: 2010 – 2011

PRIORITY 1 - Support existing businesses
<p><b>Focus:</b> Ensure that business support is co-ordinated across the borough and that Southwark businesses have equal access to good quality information and support.</p> <p><b>Rationale:</b> Ensure that good local businesses are not lost because of the short term impacts of the recession, and that when growth resumes Southwark businesses are well equipped to harness the benefits.</p> <p>Expected Outcome and Related Indicators</p> <p>Maintain active enterprise count through post-recession economic cycle – LAA target baseline (12,485 - 2007)</p> <p>Survival rate of businesses over one year, three years and five years – baseline for 5 years (2003)</p> <p>NI 172: small businesses in an area showing growth – baseline (2007)</p> <p>NI 171: new VAT/PAYE business registrations per 10,000 population – baseline (2007)</p>

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
<b>1. Co-ordinate, align and rationalise business support in the borough with local, regional and national delivery partners to improve access to information and appropriate support</b>	Map business support provision available to businesses within the borough under the Solutions for Business framework and other funded provision	July 2010	<ul style="list-style-type: none"> <li>Service directory for Southwark Business Desk</li> <li>Business Link in London brokerage and referral management system fully populated</li> <li>90% of all known services captured</li> <li>All business support providers provide solution templates for Business Link in London and Southwark Council</li> </ul>	Business Link in London, Southwark Council, Local Economy Group	Business Link in London	
	Identify gaps in business support provision	July – Sept 2010	<ul style="list-style-type: none"> <li>Identify gaps in provision</li> <li>Prepare business case for addressing gaps</li> </ul>	Southwark Council	Within partner resources	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
	Deliver Improving Local Retail Environments programme at secondary and tertiary local retail parades outside of town centres across the borough.	March 2011	<ul style="list-style-type: none"> <li>• 23 retail parades improved</li> <li>• 217 businesses benefitting from improvements</li> <li>• 5 business networks supported</li> <li>• Increased take-up of vacant units</li> </ul>	Southwark Council	Council capital funding	
	Refer and broker businesses to support products including Solutions for Business	Ongoing	<ul style="list-style-type: none"> <li>• Mainstream contribution to Local LAA Target – sustainability of active enterprise count</li> <li>• Survival rate of businesses over one year, three years and five years – baseline for 5 years (2003)</li> <li>• NI 172: small businesses in an area showing growth – baseline (2007)</li> <li>• NI 171: new VAT/PAYE business registrations per 10,000 population – baseline (2007)</li> </ul>	Business Link in London	London Development Agency/BIS	
	Commission and deliver Southwark Council funded local support projects to wrap around mainstream provision targeting under represented groups and deprived areas	March 2011	<ul style="list-style-type: none"> <li>• 1,965 businesses engaged.</li> <li>• 1,006 businesses supported.</li> </ul>	Southwark Council and delivery partners	WNF, Southwark Council	
	Deliver Sustaining and Growing Your Business project	April 2010 to March 2011	<ul style="list-style-type: none"> <li>• 360 Businesses Engaged</li> <li>• 120 Businesses Supported</li> <li>• Bespoke advice provided to existing businesses.</li> <li>• Provision of training and networking events</li> </ul>	GLE OneLondon	WNF	
	Deliver Business Recovery Service for City Fringe project	April 2010 to March 2011	Diagnostic support offered to micro businesses (1 to 10 employees)	GLE OneLondon	City of London	
<b>2. Support local SMEs to access</b>	Support Southwark businesses to cope with the effects of the recent recession	Ongoing	<ul style="list-style-type: none"> <li>• Promote the small business rate relief</li> </ul>	Southwark Council	Within partner resources	



Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
public procurement opportunities			<ul style="list-style-type: none"> <li>scheme</li> <li>Accelerate payments to suppliers</li> <li>Permit business that are commercial property tenants of the council to pay rents monthly rather than quarterly</li> </ul>			
	Open up council procurement opportunities	Ongoing	<ul style="list-style-type: none"> <li>Supply Southwark Group to develop and implement a method to promote opportunities for Southwark businesses to supply to the council</li> </ul>	Local Economy Group, Supply Southwark Group, Southwark Council	Within partner resources	
	Deliver Procurement Programme project	March 2011	<ul style="list-style-type: none"> <li>20 businesses supported</li> <li>50 businesses engaged</li> </ul> <p>(Targets included in Southwark Council delivery projects above)</p>	Southwark Council and delivery partners	WNF	
	Encourage use of Compete For service	Ongoing	Local SMEs accessing procurement opportunities	CompeteFor	London Development Agency	
	Supply Cross River	August 2011	<ul style="list-style-type: none"> <li>125 businesses assisted</li> <li>£2.6m sales generated</li> <li>meet the buyer events</li> <li>40 buyer organisations engaged</li> </ul>	Cross River Partnership	ERDF and Council match funding in-kind	
	Secure local supply chain commitments for local businesses from developers through S106 agreements and the Supply Southwark Construction Initiative	Ongoing	<ul style="list-style-type: none"> <li>Aspirational target of 10% of contract value</li> <li>3 meet the buyer events p/a</li> <li>Relationships brokered between buyers and suppliers</li> </ul>	Southwark Council and development partners	Within partner resources	
<b>3. Continue to support business networks, including supporting sector led business</b>	Work with partners to maintain and develop business networks	Ongoing	Increase trading links between the north of the borough and outlying areas	Local Economy Group	Within partner resources	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
networks						
	Business Collaboration Networks (BCN)  Continue to make referrals to specific programmes including: <ul style="list-style-type: none"> <li>• Social Enterprise London - London Social Enterprise Network</li> <li>• PRP - Collaboration to Compete</li> <li>• Build South London</li> </ul>	2011	Link local SME's to sector based networks across London to increase supply chains	Business Link	London Development Agency	
<b>4. Promote green business initiatives and encourage greater levels of recycling and re-use, energy conservation, carbon reduction, and greener travel to work patterns</b>	Improving Environmental Efficiency of BIDS	2012	<ul style="list-style-type: none"> <li>• Improve environmental awareness and environmental management standards in SMEs</li> <li>• Stimulate green procurement and encouraging greening of the supply chain</li> <li>• Encouraging the adoption of innovative environmental best practice techniques and processes and environment</li> <li>• Increase business competitiveness through resource efficiency cost savings</li> <li>• Reducing waste generation, local air pollution and other environmental impacts of business</li> <li>• Rewarding businesses for their improvement through a nationally recognised environmental awards scheme</li> <li>• Helping SMEs towards designing and implementing a simplified environmental</li> </ul>	Cross River Partnership, Better Bankside, Team London Bridge	ERDF	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
			management system (EMS) <ul style="list-style-type: none"> <li>Empowering equalities group-owned SMEs to engage with environmental performance enhancement</li> </ul>			
	<b>Smart Green Business</b> – SMEs and voluntary sector projects provided with support to improve environmental performance	March 2012	<ul style="list-style-type: none"> <li>30 SMEs supported (tbc)</li> <li>10 voluntary sector projects</li> </ul>	Westminster Council, BIDs, Southwark Council Sustainability Team	ERDF and Southwark Council	
	Promote Southwark Environmental Business Awards to SMEs	March 2011	<ul style="list-style-type: none"> <li>10% increase in EBA's awarded</li> <li>35 SMEs awarded EBAs</li> </ul>	Southwark Council Sustainability Team	Within partner resources	
	200 Club	Ongoing	<ul style="list-style-type: none"> <li>Overall year on year reduction of CO2 emissions of businesses and organisations</li> <li>Maximise membership to quantify baseline. Regular support seminars held.</li> <li>Develop dedicated website to facilitate the network</li> </ul>	Southwark Council Sustainability Team, BIDs	Within partner resources	
	Peckham Low Carbon Zone	March 2011	<ul style="list-style-type: none"> <li>Environmental audits of 12 SMEs with follow-on one-to-one support</li> <li>6 SMEs with silver environmental business awards</li> </ul>	Southwark Council Energy Team	GLA	
	Green Travel planning	March 2011	15-20 travel plans developed with SMEs	Southwark Council Transport Planning Team, Seltrans, TFL	Southwark Council	
<b>5.Support growth of businesses in key sectors, including the development of the green economy</b>	Provide product development and food analysis support for food manufacturers, retailers and catering outlets through the London Food Centre.	Ongoing	15 businesses supported	London Food Centre, London South Bank University	Within partner resources	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
	Utilise the Centre for Efficient and Renewable Energy in Buildings (CEREB) as a showcase and training facility to promote and encourage increased use of renewable and intelligent energy solutions.	Ongoing	25 businesses accessing the services of the Centre	London South Bank University	LSBU	
	Deliver E-Innovation project	July 2010 to December 2011	Businesses developing new products or services. Delivery of innovation workshops.	GLE OneLondon	ERDF	
<b>6. Develop links with further and higher education institutions to support emerging knowledge intensive businesses</b>	London Knowledge Innovation Centre	Ongoing	30 emerging knowledge-based businesses supported	London South Bank University, Business Extra	London South Bank University	
	Increase number of Southwark businesses involved in Knowledge Transfer Projects with Higher Education Institutions	March 2011	<ul style="list-style-type: none"> <li>• 10 Knowledge Transfer Projects</li> <li>• 4 Knowledge Connects</li> </ul>	London South Bank University, Angle Technology	Government grant and company funding	

<b>PRIORITY 2 - Develop key business districts and town centres</b>
<p>Focus: Support regeneration schemes to spread growth across the borough and enhance key business districts and town centres.</p> <p><b>Rationale:</b> Growth in Southwark has been concentrated in the north of the borough in and around the Central Activities Zone. Whilst continuing to support the development of businesses in the CAZ, we will also encourage enterprise and employment growth into other parts of the borough through regeneration and inward investment.</p> <p>Expected Outcome and Related Indicators</p> <p>Business growth and increasing number of businesses, particularly outside the north of the borough and concentrated in key business districts and town centres – Data sources: Annual Business Inquiry (baseline 2007), BankSearch business sole trader start-up data (baseline 2007)</p>

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
<b>1. Support the development of key regeneration scheme sites across the</b>	Canada Water	2011-2026	<ul style="list-style-type: none"> <li>• 2,500 new homes</li> <li>• Up to 35,000 sq m of new shopping and leisure space</li> <li>• 2,000 new jobs</li> </ul>	Southwark Council and development partners	Private/public capital funding	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
borough						
	Bermondsey Spa	2010-15	700 new homes and 11 new retail units	Southwark Council and development partners	Private/public capital funding	
	Elephant and Castle Opportunity Area	2011 – 2026	<ul style="list-style-type: none"> <li>• 4,000 new and replacement homes</li> <li>• up to 800,000 square feet (45,000 m<sup>2</sup>) of additional shopping and leisure space</li> <li>• 5,000 new jobs</li> <li>• an integrated public transport hub</li> </ul>	Southwark Council and development partners	Private/public capital funding	
	Aylesbury Estate	2010 – tbc	A better range and number of shops and more employment and learning opportunities – resulting in more jobs.	Southwark Council and development partners	Private/public capital funding	
<b>2. Promote and market the borough to inward investors</b>	Promote target areas within the borough to key sectors and markets	March 2011	Produce area profiles for key Southwark areas	Think London, Team London Bridge, Better Bankside	London Development Agency	
<b>3. Support and stimulate enterprise activity in our town centres</b>	Renew The Blue	End 2012	<ul style="list-style-type: none"> <li>• Improve vacancy rates for shops, protect existing retail and attract new traders and shoppers</li> <li>• Complete improvements to shop fronts and public realm by March 2011</li> </ul>	Southwark Council	Southwark Council	
	Herne Hill Improvements (ILRE)	End 2011	<ul style="list-style-type: none"> <li>• Improve retail environment and vacancy rates for shops.</li> <li>• Complete improvements to shop fronts and public realm by March 2011</li> </ul>	Southwark Council, Lambeth Council, private landlords	Southwark Council	
	Improve the commercial and retail environment at the Elephant and Castle	2010-2020	<ul style="list-style-type: none"> <li>• Development of affordable business space</li> <li>• Increase commercial floor space</li> <li>• Support existing businesses and increase</li> </ul>	Southwark Council and development partners	Within existing resources	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
			footfall <ul style="list-style-type: none"> <li>Support the development of creative industry space including galleries and incubation units</li> <li>Support existing businesses</li> </ul>			
	Develop a new approach to the regeneration of Camberwell	2010 – 2013	<ul style="list-style-type: none"> <li>Establish delivery and governance arrangements</li> <li>Agree initial project priorities and begin delivery of quick wins</li> <li>Develop delivery plan with three year lifetime</li> <li>Produce a Supplementary Planning Document</li> </ul>	Southwark Council and local stakeholders	Within existing resources	
	Develop a new approach to the regeneration of Peckham	2010-2013	<ul style="list-style-type: none"> <li>Establish delivery and governance arrangements.</li> <li>Agree initial project priorities and begin delivery of quick wins.</li> <li>Agree preferred options for the Peckham and Nunhead Area Action Plan to include delivery plan.</li> </ul>	Southwark Council, landowners and local stakeholders	Preparation of area action plan and agreement of delivery and governance arrangements within existing resources.  Delivery of area action plan will be through combination of private/public capital funding.	
	Bankside, Borough and London Bridge opportunity area - providing high quality office accommodation alongside world-class retail, tourism, culture and entertainment facilities and public spaces. Local people will be supported to find jobs by local employment and training schemes.	2011-2026	<ul style="list-style-type: none"> <li>1,900 net new homes</li> <li>25,000 new jobs</li> </ul>	Southwark Council, development partners, BIDs	Within partner resources	
	Supporting Street trading and markets strategy – maximising economic and employment benefits	2010-2013	By end of 2010/11:	Southwark Council Street Markets &	Private/public capital funding	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
	through promoting and sustaining independent and small businesses.		<ul style="list-style-type: none"> <li>Put in place publicity and marketing plan for main markets</li> <li>Seek capital investment to upgrade the market infrastructure and the public realm in and around market areas</li> <li>Promote new markets</li> <li>Complete draft design for East Street improvements, carry out consultation and complete works</li> <li>Adopt Market and Street Trading Strategy</li> </ul>	Strategy, Team London Bridge		
<b>4. Support the provision of business space including affordable premises and managed workspaces</b>	Support the development of affordable spaces through s106 and planning policy	Ongoing	Affordable/ flexible business space secured	Southwark Council and private sector developers and partners	Private sector leverage	
<b>5. Improve key commercial districts</b>	Business Improvement Districts (BIDs) - substantial and influential networks of businesses, working to improve locations for commercial activity. Facilitation of business involvement with the local community by supporting education, employment and environment initiatives. Helps businesses meet, learn from, trade and support each other.	2010 - 2015	<ul style="list-style-type: none"> <li>1500 businesses supported</li> <li>Support education and employment initiatives</li> <li>Investment of £2 million per annum across the 3 BIDs in local area management, including cleaning and greening, and additional policing.</li> </ul>	Better Bankside, Team London Bridge, Waterloo Quarter BID. Partnership support from Southwark Council, Metropolitan Police.	Within partner resources	
	Bankside Urban Forest - Delivering environmental improvements in the Bankside public realm extending to the Elephant & Castle	2010 - 2014	<ul style="list-style-type: none"> <li>12 public spaces improved</li> <li>1 space in 2010/11</li> <li>3 in 11/12</li> <li>5 in 12/13</li> <li>3 in 13/14</li> </ul>	Better Bankside, Southwark Council	London Development Agency	

### PRIORITY 3 - Increase business start ups

**Focus:** Increase self employment and business start ups.

**Rationale:** Despite a rapid expansion of the business base in the north of the borough overall business density remains low, business start ups are below average and levels of self employment lag behind the regional average. To increase economic activity outside of the central activity zone we need to stimulate enterprise and encourage the growth of an entrepreneurial culture.

#### Expected Outcome and Related Indicators

Increase in Southwark's self employment rate – Data source: Nomis, baseline 2007

Improvement in number of business start ups, particularly amongst younger people, women and BME groups.

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
1. Promote self-employment as a route into work for workless residents	School Gates initiative - providing access to Jobcentre Plus employment advice in Rotherhithe area.	March 2011	<ul style="list-style-type: none"> <li>To have an advisor present in Redriff primary school by the end of Q1</li> <li>To extend advice to parents in other Rotherhithe schools by the end of Q3</li> <li>To engage 300 parents by end of Q1</li> <li>To increase JCP advisor caseload to 20 parents by end of Q1</li> </ul>	School Gates Project Board, Southwark Council Children's Services	Child Poverty Unit, Southwark Council	
	Deliver DWP 3 month offer project	April to December 2010	Deliver workshops	GLE OneLondon	JCP/ LDA	
	Deliver Enterprising Communities project -	April 2010 to March 2011	Increase self-employment and business start ups with residents who are furthest away from employment, including BAME, young women and disabled people	GLE OneLondon	City of London	



Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
<b>2. Improve access to pre-start business support and advice, particularly for priority groups</b>	Deliver First Steps into Business project	March 2011	<ul style="list-style-type: none"> <li>• 500 Businesses Engaged</li> <li>• 300 Businesses Supported</li> <li>• 25 New Start Ups</li> <li>• 30 Job Outcomes</li> </ul> <p>(Project Targets included in totals for Southwark Council Delivery above under 1.1)</p>	GLE OneLondon	WNF	
	Deliver Business Growth in Southwark project	March 2011	<ul style="list-style-type: none"> <li>• 10 local pre-start businesses incubated</li> <li>• 10 local market traders established</li> </ul> <p>(Project Targets included in totals Southwark Council Delivery above under 1.1)</p>	Business Extra	WNF	
	Deliver Business London programme, Starting a Business product and Intensive Start up Support	April 2010 to December 2011	<ul style="list-style-type: none"> <li>• Delivery of workshops</li> <li>• Delivery of intensive support</li> </ul>	GLE One London and Business Link in London	LDA/BIS	
<b>3. Encourage business start ups</b>	Deliver business start up projects	March 2011	<p>108 new start-ups (20 women-owned)</p> <p>(Project Targets included in totals Southwark Council Delivery above under 1.1)</p>	Southwark Council and delivery partners	WNF	
<b>4. Work with employers to promote enterprise in schools</b>	Deliver enterprise related projects in schools	Sept 2010 – July 2011	<ul style="list-style-type: none"> <li>• National Enterprise Week Nov 2010</li> <li>• 60 pupils and 3 schools participating in National Enterprise Week</li> <li>• Two-week work experience placements for secondary school pupils, and post-16</li> <li>• Students</li> <li>• 250 business mentors provided to 428 young people</li> <li>• 376 young people visiting business premises</li> <li>• Curriculum input and talks</li> </ul>	Southwark Council Education Business Alliance	Young People's Learning Agency	

Objectives	Actions	Timescale	Target Outputs and Outcomes	Responsibility	Funding Body	Achievements
			in schools and the college <ul style="list-style-type: none"> <li>• All 14-19 year olds to be able to access at least 2 weeks of work experience</li> <li>• 5 business partners involved in each educational establishment per year</li> <li>• All schools and the college to be associated with at least one business</li> </ul>			
<b>5. Identify opportunities to convert activities of community organisations into social enterprises</b>	Encourage take up of social enterprise support through Business Link in London specialist social enterprise advisers and other key providers including Social enterprise London and Red Ochre	Ongoing	<ul style="list-style-type: none"> <li>• Join up support agencies with community organisations.</li> <li>• Identify opportunities for social enterprises within new developments.</li> </ul>	Southwark Council Economic Development and Community Engagement	Within partner resources	

## Appendix 4

### Local Economy Group Partners and Resources 2010/11

The following table lists the Local Economy Group (LEG) members and their current resources. This table is an indicative snapshot of partner resources as of August 2010 and is subject to change.

Partner	Current resources
Business Improvement Districts (3 representatives)	<p>Better Bankside - £8 million budget for 2011-2016. BID levy raised on approximately 560 rateable properties. There are approximately 45,000 employees in the BID area.</p> <p>Team London Bridge - £5 million budget for 2011-16 and an anticipated 422 rateable properties. 310 members. There are approximately 28,000 employees in the BID area.</p> <p>Waterloo Quarter - estimated £1.4 million income for 2011-2016, based on 176 rateable properties.</p>
Business Link in London (BLIL)	<p>Database of business support services for Southwark.</p> <p>Team of 18 advisers serving the central London area.</p> <p>Comprehensive website with business information.</p> <p>Stakeholder extranet forum with around 1,700 business with a strategic interest in business support.</p>
Ethnic minority business network representative - Black Business Initiative	<p>Professional expertise, local knowledge, targeted services for minority ethnic groups, local, national and international networks, volunteers, donations and in-kind contributions.</p> <p>Funded in part through the council's commissioning budget.</p>
Flexible New Deal (FND) providers (2 representatives)	<p>DWP indicative total annual budget for FND for London Central<sup>1</sup>, Lambeth, Southwark and Wandsworth is £26.78 million and expected client numbers for April 2010-November 2011 are 14,300.<sup>2</sup></p> <p>A4e provides two offices in Southwark that deliver FND and the Jobcentre Plus Support contract; 33 staff support these contracts.</p> <p>Calder provides an office covering Lambeth and Southwark, with 31 staff working with clients and employers. Approximate current branch caseload is 5000.</p>
Jobcentre Plus	The most significant single resource aimed at reducing

<sup>1</sup>includes Islington, Westminster, Camden, Kensington and Chelsea

<sup>2</sup> Source DWP 2008

	<p>worklessness.</p> <p>311 staff in Southwark, in addition to Jobcentres and out of work benefits budget.</p> <p>Links to DWP Single Work Programme to start June 2011 with a annual budget of £10-£50 million for London.</p>
London South Bank University	<p>Vocational degree courses, Knowledge Transfer Partnerships, London Knowledge Innovation Centre, Centre for Efficient and Renewable Energy in Buildings.</p> <p>2009 income £137 million. Majority of funding via academic fees and grants.</p>
Skills Funding Agency	Funding from DBIS for colleges, universities and other training providers in Southwark.
Southwark Chamber of Commerce	Expertise and advice from chamber members.
Southwark College	<p>Vocational training and bespoke training solutions for employers.</p> <p>Allocation of £9.3 million from the Skills Funding Agency for 2010/11.</p>
Southwark Council	<p>In 2010/11 £747,000 direct commissioning budget for economic development and £2.5 million WNF.</p> <p>S106 contributions for employment and enterprise, ESF and LDA pilot programmes.</p>
Southwark Works	<p>Partnership of specialist employability skills providers for delivery of support to the borough's most disadvantaged unemployed residents.</p> <p>Part of council commissioned investment, principally WNF, and a recipient of S106 and match funding from some of the providers.</p>
Voluntary and community sector representatives	Represents organisations with funding from a range of sources, including the council.

September 2010

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 23 November 2010	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Capital Programme 2010-19 Quarter 2 Monitoring Report	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Finance and Resources	

### **FOREWORD - COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE AND RESOURCES**

1. This report sets out the position for this year's capital programme as at the end of September 2010. Cabinet members will recall that we took a similar report in September reviewing the capital programme for the first quarter of the financial year, and that we asked officers to work to make more realistic profiles of expenditure in the current financial year. This work has led to the projected expenditure on the general fund programme for the year decreasing from £183.610m to a more realistic £151.560m.
2. In the full ten-year general fund programme, there is now £12.979m unallocated, compared to £9.230m at the end of quarter 1. This unallocated amount will inform the refreshed Capital Programme that we will now consider as a Cabinet in early February and will then be submitted to the February Council Assembly for approval.
3. The report also sets out the quarter 2 position of the Housing Investment Programme. This is fully funded to 2016, but will need revision to deliver the pledge to make every council home Warm, Dry and Safe.
4. The report asks us to approve the reprofiled general fund capital programme budget and approve the funded additions to the programme set out in appendix C. I would therefore recommend that Cabinet, after due consideration, agree the recommendations set out below.

### **RECOMMENDATIONS**

That Cabinet:

5. 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 September 2010 (appendices A and B).
6. Approve the addition of budgets into the programme, matched by additional funding secured (appendix C).
7. Note and approve the reprofiling of spend and resources in the 2010-19 general fund capital programme (appendix D)

8. Request that the Finance Director refresh the 10 year capital programme taking into account issues arising from the spending review 2010, new emerging priorities and strategies and the detailed options appraisals on the remaining bids from the capital refresh in February 2010. This to be considered in the context of resources available.

## **BACKGROUND INFORMATION**

9. 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. The report also requested that the Finance Director provide more detailed options analysis and financial appraisals on the remaining bids received for future consideration by Cabinet in the context of resources available and considering any additional resources which can be identified.
10. The quarter one capital monitor was reported to cabinet on 21 September 2010. It reported a total General Fund (GF) programme for 2010-2019 of £430m with forecast resources over the same period estimated to be £439m, an overall surplus of £9m. Overall the GF programme was reported on track to spend within the approved budget. However there were concerns raised over the profiling of spend and resources, particularly in 2010/11. A review of the existing capital programme was instigated to identify the latest estimates of reprogramming, and, if required, to ascertain which schemes are not yet contractually committed that could be reprofiled or deferred. In parallel a full appraisal of the resources was instigated to accelerate receipt where possible and to ensure maximisation in totality.

## **KEY ISSUES FOR CONSIDERATION**

### **Summary of spend and resources**

11. The quarter 2 monitor shows a total forecast spend of £430m, for the General Fund programme for 2010-19, against a budget of £435m, a favourable variance of £5m. (appendix A). The total forecast available resources over this period are estimated to be £443m, an overall surplus of £13m.
12. The general fund programme for 2010-19 has increased by £5m from £430m to £435m since the quarter one report for 2010/11. This is as a result of the Thames Reach Employment grant passport through HCS of £3.7m, additional funding received from TFL of £0.6m and £0.5m disabilities facility grant.
13. Overall the general fund programme for 2010-19 is on track to spend within the approved budget, in fact a favourable variance of £4.7m is projected, £3.2m of which is due to the fall out of capital grants. The remainder is a reduced call on corporate resources.
14. The quarter 1 monitor highlighted concerns over the profiling of spend and resources, particularly in 2010/11. The departmental returns for quarter 2 have identified £36m of reprogramming (19.3% of budget) in 2010/11. However projected expenditure still exceeds resources by some £37m, which is a reduction of £13m to the position reported at quarter 1. £19m of the reprogrammed expenditure is in relation to schemes funded by external funds, largely grants, where the funding will slip with the expenditure. This, combined with the reprofiling of capital receipts,

explains why the profiling of spend and resources has not improved by the full amount of the reprogramming. The Finance Director is seeking further detail from each department on their programmes, including the robust profiling of expenditure, review of alternative funding proposals, options for delaying expenditure in order to balance spend and resources projections for 2010/11.

15. The total Housing Investment Programme (HIP) for 2010-16 totals £450.6m and is fully funded.

### **Pressures and impacts on the capital programme**

16. The capital programme is currently subject to a number of pressures;
  - Spending review 2010
  - Market conditions
  - New and emerging service strategies, priorities and pressures.

### **Spending review 2010**

17. The Chancellor of the Exchequer set out the government's Spending Review for 2011-15 on 20 October. A number of announcements made in his statement will have a significant impact on the finances of the Council. The following paragraphs give the headline figures that impact upon capital resources. However the specific resource details for the Council will not be clear until at least receipt of the provisional grant settlement which is expected later in the autumn.
18. Capital funding from all government departments will fall by around 45% over the spending review period.
19. Flexibility of prudential borrowing is to be maintained. However interest rates on the public works loan board have been increased to 1% above UK government gilts.
20. £15.8 billion of capital funding is to be provided over the SR period to provide new school places in areas of severe demographic pressure, maintain the school estate and meet existing BSF commitments to rebuild and refurbish 600 schools.

### **Market conditions**

21. Whilst it has been announced that the country is out of recession there are still issues of confidence in relation to the land and property market, particularly the volatility with regard to the level of demand and values achieved. This has a significant impact on the level and timing of capital receipts available to fund the capital programme.

### **New and emerging service strategies, priorities and pressures**

22. In addition to the impact of market conditions on funding resources and the uncertainty with regard to future capital funding available from government there are a range of new and emerging strategies and pressures on the capital programme that need to be addressed. These include;
  - to enable the provision of free healthy school meals to all primary school pupils;
  - to provide additional primary school places

- to enable the office accommodation strategy
  - to invest in highways infrastructure
  - to invest in ICT infrastructure and service improvements through use of new technology
  - to refurbish leisure centres
  - to create and enhance sports facilities as part of the Olympics "legacy programme".
23. In order to encompass these and take stock of the existing capital programme, agreed in February 2010, the Finance Director advises that there is now an urgent need to refresh the 10 year programme with effect from 2011/12. This will allow the Cabinet to map the direction of travel with regards to capital spending, assessment of the new strategies and pressures and hence take informed priority decisions, all within the context of the resources available.
24. The following paragraphs give the latest monitoring position by services.

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

#### **General Fund (Appendix A)**

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

25. The Children's Services original forecast spend for 2010/11 as reported at quarter 1 has lowered by £8.3m to £26.8m; partially attributable to a reduction/freezing of in year capital grants totalling £2.8m.
26. Southwark Park School has been delayed because of the need to bring about a viable proposal within the available budget. This has meant the scheme is now likely to go into contract in 2011 with completion at the end of 2012; therefore £5.5m of expenditure has been reprogrammed into future years.
27. Further Surestart capital funding was cut mid-year by £2.4m as a result of government announcements; a total of in excess of 30 schemes and several grants to independent nurseries have been halted. In addition, the Playbuilder grant has been frozen and therefore, no expenditure has been incurred against the £400k programme. As a result 10 play schemes have been brought to a standstill; awaiting news on the future of this grant. Two capital bids, totalling, £600k have been proposed to enable higher priority projects affected by these unexpected in year cuts to progress.
28. As previously reported, the new Michael Faraday School is operational and the rebuilt Eveline Lowe School will be finished by the end of this year. Other schemes which have been completed this year include: the renewal of the kitchen and dining hall at Dulwich Hamlet primary school including a food and design technology suite, and the completion of a new wing at Bessemer Grange housing the school's foundation stage and children's centre. Additional primary places have also been opened following works at Goodrich, Lyndhurst and Heber schools with others in existing accommodation.
29. The overall Children's Services capital programme is expected to remain within budget.



## Health and Community Services

30. Low year to date expenditure on Aylesbury Resource Centre is because the agreement requires payment upon completion. The project is expected to complete in December 2010 but there could be a slight delay due to alterations that were made to the original room layouts. Cherry Gardens St Building completed on 20 September 2010 and we are yet to pay the last instalment less 2.5% retention fee of the overall capital cost as we are still waiting for the invoice.
31. Mental Health SCP, Social Care SCP, Social Care IT Infrastructure, Transformation in Adult Social Care are all on target for financial year 2010/11. Thames Reach Employment Academy is a passported capital grant through Health & Community Services. This has been spent in 2010/11. Overall the health and community services capital programme is on track to come in within budget.

## Regeneration and Neighbourhood

32. 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.
33. 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. This is additional to the major regeneration proposals at Aylesbury, Elephant and Castle and Canada Water
34. The current total value of the capital budget for the department over the 2010/11-2018/19 period is £36.4m and the latest capital monitor is projecting a total spend of £35.8m against this budget.
35. In 2010/11, the department is currently projecting spend of £23.8m against the profiled budget of £29.8m. Details of the total variance of £6.0m by divisions and its capital programmes are given below.
36. Economic Development and Strategic Partnership (ED&SP) has a capital budget for 2010/11 of £8.5m, 46% of this budget (£3.9m) is funded from council capital resources. The main area of spend for this sum is the "Improving Local Retail Environments" programme where the reprofiled 2010/11 budget of £3.9m is expected to be fully utilised. The remainder is mainly derived externally from S106 income (52%, £4.5m) this funding is not limited to the financial year however, spend is conditional on a number of factors including joint working with developers and other partners and the availability of match funding. There are various S106 schemes which make up the budget of £4.5m and the projected spend to 31 March 2011 is £2.5m.
37. There have been a variety of external factors that have affected the S106 spend. One project is still awaiting Secretary of State Permission to proceed (required as part of the site is a Scheduled Ancient Monument) and the Tanner Street Park project has been affected by the government's cancellation of the Play-Builder funding programme requiring the project to be redesigned. Other S106 projects in the Bankside area have had to be scaled back and re-profiled as the London

Development Agency has put on hold a £4.5m grant for the Bankside Urban Forest programme. Support for Blackfriars Settlement has been reprofiled to spend in 2011/12. This has been required as Blackfriars Settlement, an external organisation, has delayed the delivery of their new headquarters building.

38. The capital projects funded by S106 on site include the Clink Street tunnel lighting, Dodson and Amigo estate improvements, Rothsay Street public realm and the ARC Nursery refurbishment. In addition a number of projects are currently under development and will commence on site in quarter 4 this year. These include Cathedral Steps environmental improvements, St Mary Magdalene park improvements, Tanner Street Park improvements and Flat Iron Square. Other projects such as Tooley Street Improvements and St John's Churchyard are currently being developed for delivery in 2011/12.
39. With regard to the Investment in Local Retail Environments programme (IRLE) scheme, one site has been fully completed and two further sites (Herne Hill and The Blue) are currently on site. The remaining 21 sites are all in an advanced stage of delivery with planning permission being granted and tenders sought. Seven sites will commence on site in Q3 while the remaining 14 sites will shortly be scheduled for works. The final sites to be implemented are scheduled to commence on site in Q4 (January 2011). The full capital budget is programmed to be spent within 2010/11.
40. ED&SP is therefore currently projecting total capital spend of £6.6m against budget of £8.5m for 2010/11. The remaining S106 spend of £1.9m will be re-profiled to 2011/12.
41. Planning and Transport is currently reflecting a total budget of £7.1m for 2010/11, of which £6.4m (90%) relates to TfL funding for the implementation of the borough's transport improvement schemes. TfL allocation 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.
42. Planning and Transport division is projecting a total spend of £6.7m in the current financial year indicating a variance of £381k. However some budget adjustment is required on the TfL funding, which once confirmed, is expected to eliminate the majority of this variance.
43. The capital budget allocated to Property Services for 2010/11 is £14.0m, of which £9.6m (70%) relates to the completion of the Canada Water Library.
44. There is an overall current year projected variance of £3.7m of which some relates to the schemes on Voluntary Sector strategy (£1.0m) and the New Nunhead Community Centre (£550k). Spend on the Voluntary Sector Strategy will be determined by the updated Asset Management Plan for that estate to be agreed by Cabinet. It will therefore not be possible to achieve spend against that budget until priorities have been identified. Spend will therefore not occur until 2011/12. Consultation with local residents has now commenced on the delivery of a new Community Centre for Nunhead. The project has been re-profiled and the majority of the spend will be achieved in 2011/12. The remainder of the variance is in relation to the 19 Spa Road Project (£2.1m) which has been reprogrammed awaiting decisions on the office accommodation strategy presented elsewhere on this agenda.

45. The Aylesbury NDC programme completed its final year (year 10) on 31 March 2010. There is residual budget amounting to £104k which has been fully utilised for the final wrap up of the programme.

### **Environment and Housing**

46. The department carried out a detailed review of the Capital Programme for the second quarter and as a result identified £1.2m of capital resources as surplus to requirement. £1.0m of this surplus relates to over programming in improvements to Non Principal Roads. As part of the review, projections and profiling of spend were also scrutinised to arrive at a more realistic estimate of expenditure for the year. This resulted in deferring £6m of allocation to the next financial year. This was mainly due to re-profiling of expected spend for Burgess Park (£4.3m), Non Principal Roads (£1.0m) and Southwark Park Stadium (£700k). Following this review, the total value of capital budget for the department over the 2010/11-2018/19 period is revised to £86.3m and is projected to spend £31.9m in the current financial year. The progress of major schemes is outlined below.

### **Sustainable Services**

47. 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.
48. 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.
49. On 20 September Dalkia submitted written responses to further clarification queries raised by the Council arising from their BAFO. The consortium is scheduled to give a high level presentation to Council officers on 14 October. Thereafter officers expect to complete initial evaluation of the proposal by the end of October. A Dalkia MUSCO decision report will be prepared for review by CCRB and CMT in November and will be taken to Cabinet in December 2010.

## **Public Realm**

50. CGS programme – The programme budget for 2010/11 of £6.2m includes the annual allocation of £3.2m along with £3m from previous years and is projected on target.
51. Asset Management are projected to deliver their Highways and Lighting programmes within budget and time. All major schemes have member and stake holder approval and are programmed for delivery. Quarterly updates on all capital schemes are now provided to all ward councillors.
52. 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**

53. 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.
54. Camberwell Leisure Centre – work on the refurbishment of the Centre got underway in 2009. Funding of the £4.7m project consists of £2m Council funds with the balance being funded externally. This 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.
55. 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**

56. At quarter 1 the forecast was the budget figures for the programme, as this was the best estimate at that time. Two major events have occurred during the second quarter: the first was the deferral of St Michael's and All Angels (SMAA)/Highshore schools and the second was financial close of the remaining phase 2 schools.
57. In July a decision was made by Partnerships for Schools (Pfs), in the light of falling pupil numbers at SMAA, to defer the commissioning of the enlarged school along with the co-located Highshore school. The current pupil intake at SMAA was projected at 2 Form Entries (FE) at the existing 4FE school. Therefore, the business case for a larger school is in the process of being revised. In effect, these two schools will be incorporated into the Phase 3 schools due to reach financial close in July 2011. This explains the revised profiling between 2011/12 and 2012/13.

58. The remaining Phase 2 schools successfully reached financial close in August. As the contracts have now been entered into, the profiling of the expenditure can now be predicted with greater certainty.
59. The interdependence of the programme in phase 3 has been revised to take into account the reprogramming for the SMAA/Highshore schools. Thus, the programme for Key Stage 3 to be located on the vacated Highshore site has been put back a year. Due to the revenue cost of borrowing, the revised programme also reflects the decision to fund £2.298m of ICT through the capital contingency instead of supported borrowing.

### **Finance & Resources**

60. Under facilities management (FM), there is a forecast of £3m for the Property Works Programme (PWP) and Works to Council Buildings (DDA Programme). All of this expenditure is committed. Based on past experience with the PWP, there is a risk that the £3m budget may not be sufficient depending on emerging issues over the current financial year. Risks include building closure, loss of service delivery and serious H&S/compliance ramifications.
61. 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 this entire programme will require additional funding to the existing allocation. 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.
62. Moving forward, capital availability and flexibility are obvious priorities in the PWP and this requirement will continue into 2012/13 and onwards. Budget will be required to address emergency and unavoidable capital expenditure to ameliorate the risks highlighted above. As these risks can be managed, consideration should be given to a reallocation of the budgets from the DDA programme to the PWP. This will be subject to cabinet approval.
63. The IS programme has been reprofiled to accommodate changes in regulatory and networking requirements, and to ease financial pressures to the council. The current profile shows that the IS projects will complete in 2012/13 and not 2011/12 as previously planned. 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. The strategy has improved operational governance by introducing a program to look at meeting targets and dependencies.

### **Housing Investment Programme**

64. The 2010/11 housing investment programme (HIP) aims to deliver investment of £100m to improve housing in Southwark. Excluding revenue expenditure related to the programme, this includes planned expenditure of £11.7m within the General Fund and £87.8m on the council's own stock within the HRA. Capital expenditure as at 1 October was £2.9m and £28.0m respectively.

## Housing General Fund

65. The travellers site scheme at Burnhill Close is progressing on site, prioritising government Gypsy and Travellers Sites Grant funding already received. Further consultation has taken place with residents of the Springtide travellers site, to firm up scaled-back plans for the scheme following advice that the additional grant funding originally anticipated will not now be available for this project.
66. The first and second tranches of Affordable Housing Fund payments for the Canada Water scheme have now both fallen due and been paid. The second tranche payment of £600k represents an increase in the current year forecast, as this was previously forecast for 2011/12. The first tranche on the Ivydale Road scheme is also expected, with the remaining tranche due in 2011. Both schemes are funded from S106 developer contributions.
67. Demand remains high for Disabled Facilities Grants within the Housing Renewal programme, with expenditure of £700k to date this year largely covered by government grant funding. A bid has been made for an increased level of grant funding at £858k for 2011/12, although currently the level assumed in the programme for the next two years is at the 2010/11 level of £515k per year. The scheme for solar heating to 60 properties in Peckham, for which £420k targeted sub-regional funding has been received, is due to start in December following pilot schemes in November. The Low Carbon Zone group repair scheme is due to start on site in January. The Renewal Area Programme is being reviewed and a revised expenditure profile will be reported in the next monitor.

## HRA programme

68. The HIP is resource-led, and the planned programme reflects 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. The current disposals policy is being reviewed in this light and will be reported separately. Meanwhile, current market conditions have led to a more cautious approach to the profiling of receipts. Reprogramming in expenditure forecasts for non-DH major works, and for acquisitions on Heygate and Aylesbury, has enabled the reprofiling of capital receipts use, with an £8m reduction in the current year and an overall reduction of £5m in the current 6-year reporting period.
69. The programme of strategic safety works continues, funded from the allocation approved by the then Executive in February 2010 following the two major fires at Lakanal and Sumner Road in 2009. The programme of fire risk assessments has identified 29 high rise blocks requiring capital investment. Works to five blocks have been completed to date, with a further four on site and an additional twenty at design stage to specify the scope of works. Reprogramming of £1.1m from 2010/11 to 2011/12 is anticipated against the original expenditure profile.
70. Leasehold acquisitions continue on Aylesbury and Heygate with expenditure in excess of £1.1m this year to date. Expenditure has however been significantly reprofiled with a reduced requirement of approximately £4.4m in the current year and £1.6m next, which will be required from 2012/13 onwards. Programme resources have been adjusted to allow for the reimbursement of the NDC funding swap from which the HIP benefited last year.

71. The HRA programme includes an allocation of £40m for Decent Homes. For clarity this is now reported as a separate line in the HRA appendix, whereas it was previously combined with other related major works. It is estimated that the programme is on track to achieve the 1,700 target for dwellings to be made decent in 2010/11.
72. The two new build schemes under the HCA Challenge Fund programme to deliver new council homes at Brayards Road and Lindley Estate are being worked up. The planning applications for Brayards has been approved, with the number of units reduced from eight to three. The application for Lindley is currently still under consideration. Meanwhile, the projects have been tendered, with an October return date to meet HCA funding requirements and enable a start on site in Q3. The original HCA bidding requirement that council funding for these schemes should be met from prudential borrowing has now been relaxed. Funding has therefore been identified within the programme for the council contribution, from within existing HIP resources.
73. The main contract for the refurbishment of the East Dulwich Estate was completed on site in August, delivering improvements to 753 properties. This figure includes 50 void properties refurbished for sale, four of which are now sold and a further two under offer, and their marketing is now due to be intensified. The associated contract for the Albrighton community facility is due to finish in December. Planning submissions are due in December for further phases of the overall scheme, including 46 new build units (of which 28 are for rent by a RSL), works to convert 25 drying rooms to dwellings, and environmental improvements.
74. Under the Hidden Homes programme, two units have been completed to date and a further seven are due to complete this year. An additional 10 units are in the pipeline for completion in 2010/11.

### **Community impact statement**

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

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

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

76. The Capital Programme 2010-2019 satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.
77. By agreeing the recommendations in the report the Cabinet will demonstrate that it has made adequate arrangement for the proper administration of the council financial affairs

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Capital monitoring working papers	160 Tooley Street	Le Cheung 020 7525 4300

**APPENDICES**

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

**AUDIT TRAIL**

<b>Cabinet member</b>	Cllr Richard Livingstone, Finance and Resources	
<b>Lead officer</b>	Duncan Whitfield, Finance Director	
<b>Report author</b>	Cathy Doran, Finance & Resources	
<b>Version</b>	Final	
<b>Dated</b>	11 November 2010	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		12 November 2010



## General Fund Summary Monitoring Position

Department	2010/11								2011/12					
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Spend to date	Projected spend remaining	Forecast	Variance	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	35,076	0	0	35,076	11,585	15,177	26,762	(8,314)	13,195	0	0	13,195	15,808	2,613
Southwark Schools for the Future	59,789	0	0	59,789	12,090	32,700	44,790	(14,999)	135,810	0	0	135,810	54,033	(81,777)
Finance & Resources	3,157	0	0	3,157	750	2,006	2,756	(401)	3,845	0	0	3,845	2,325	(1,520)
Environment and Housing	39,020	0	0	39,020	11,221	20,634	31,855	(7,165)	15,163	0	0	15,163	21,056	5,893
Health & Community Services	6,237	0	3,700	9,937	2,593	7,344	9,937	0	0	0	0	0	0	0
Housing General Fund	11,105	0	0	11,105	2,890	8,775	11,665	560	6,842	0	0	6,842	6,282	(560)
Regeneration & Neighbourhoods	29,226	0	552	29,778	5,029	18,766	23,795	(5,983)	6,474	0	0	6,474	9,671	3,197
<b>TOTAL</b>	<b>183,610</b>	<b>0</b>	<b>4,252</b>	<b>187,862</b>	<b>46,158</b>	<b>105,402</b>	<b>151,560</b>	<b>(36,302)</b>	<b>181,329</b>	<b>0</b>	<b>0</b>	<b>181,329</b>	<b>109,175</b>	<b>(72,154)</b>

<b>FINANCED BY:</b>															
Capital Grants Unapplied @ 31.03.10	15,371			15,371			15,371	0				0	0	0	0
Capital Grants Unapplied @ 31.03.10 - S106	7,889			7,889			7,889	0				0	0	0	0
Section 106 Funds - New	2,060			2,060			2,060	0	788			788	788	0	0
Payback of Housing Receipts	(9,178)			(9,178)			(9,178)	0				0	0	0	0
General fund Contribution to HIP	(5,277)			(5,277)			(4,252)	0	(5,000)			(5,000)	(6,025)	(1,025)	0
Corporate Resource Pool	27,550	0	0	27,550	24,752	(5,902)	18,850	(8,700)	24,150	0	0	24,150	24,900	750	0
Major Repairs Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Supported Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserves & Revenue	2,722	0	0	2,722	576	2,146	2,722	0	923	0	0	923	923	0	0
Capital Grants	87,513	(62)	4,207	91,720	14,974	58,904	73,878	(17,842)	139,808	0	0	139,808	60,330	(79,478)	0
Section 106 Funds	8,687	0	45	8,732	3,203	4,124	7,327	(1,405)	1,679	0	0	1,679	3,000	1,321	0
External Contributions	169	62	0	169	60	109	169	0	0	0	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>137,506</b>	<b>0</b>	<b>4,252</b>	<b>141,758</b>	<b>43,565</b>	<b>59,381</b>	<b>114,836</b>	<b>(26,922)</b>	<b>162,348</b>	<b>0</b>	<b>0</b>	<b>162,348</b>	<b>83,916</b>	<b>(78,432)</b>	<b>0</b>
<b>Forecast variation (under)/over</b>	<b>46,104</b>	<b>0</b>	<b>0</b>	<b>46,104</b>	<b>2,593</b>	<b>46,021</b>	<b>36,724</b>	<b>(9,380)</b>	<b>18,981</b>	<b>0</b>	<b>0</b>	<b>18,981</b>	<b>25,259</b>	<b>6,278</b>	<b>0</b>
<b>Cumulative position</b>															

100

## General Fund Summary Monitoring Position

Department	2012/13+						Total Programme 2010/11 - 18/19					
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Forecast	Variance	Total Agreed Budget @ 01/04/2010	Budget Virements	Budget Variations	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	24,560	0	0	24,560	27,447	2,887	72,831	0	0	72,831	70,017	(2,814)
Southwark Schools for the Future	6,633	0	0	6,633	103,409	96,776	202,232	0	0	202,232	202,232	0
Finance & Resources	0	0	0	0	1,921	1,921	7,002	0	0	7,002	7,002	0
Environment and Housing	33,348	0	0	33,348	33,348	0	87,531	0	0	87,531	86,259	(1,272)
Health & Community Services	0	0	0	0	0	0	6,237	0	3,700	9,937	9,937	0
Housing General Fund	191	0	515	706	706	0	18,138	0	515	18,653	18,653	0
Regeneration & Neighbourhoods	112	0	0	112	2,298	2,186	35,812	0	552	36,364	35,764	(600)
<b>TOTAL</b>	<b>64,844</b>	<b>0</b>	<b>515</b>	<b>65,359</b>	<b>169,129</b>	<b>103,770</b>	<b>429,783</b>	<b>0</b>	<b>4,767</b>	<b>434,550</b>	<b>429,864</b>	<b>(4,686)</b>

<b>FINANCED BY:</b>												
Capital Grants Unapplied @ 31.03.10				0	0	0	15,371	0	0	15,371	15,371	0
Capital Grants Unapplied @ 31.03.10 - S106				0	0	0	7,889	0	0	7,889	7,889	0
Section 106 Funds - New	6,163			6,163	6,163	0	9,011	0	0	9,011	9,011	0
Payback of Housing Receipts				0	0	0	(9,178)	0	0	(9,178)	(9,178)	0
General fund Contribution to HIP	(5,000)			(5,000)	(5,000)	0	(15,277)	0	0	(15,277)	(15,277)	0
Corporate Resource Pool	122,650	0	0	122,650	128,750	6,100	174,350	0	0	174,350	172,500	(1,850)
Major Repairs Allowance	0	0	0	0	0	0	0	0	0	0	0	0
Supported Borrowing	0	0	0	0	0	0	0	0	0	0	0	0
Reserves & Revenue	571	0	0	571	571	0	4,216	0	0	4,216	4,216	0
Capital Grants	15,836	0	515	16,351	110,536	94,185	243,157	(62)	4,722	247,879	244,744	(3,135)
Section 106 Funds	0	0	0	0	0	0	10,366	0	45	10,411	10,327	(84)
External Contributions	3,071	0	0	3,071	3,071	0	3,240	62	0	3,240	3,240	0
<b>TOTAL RESOURCES</b>	<b>143,291</b>	<b>0</b>	<b>515</b>	<b>143,806</b>	<b>244,091</b>	<b>100,285</b>	<b>443,145</b>	<b>0</b>	<b>4,767</b>	<b>447,912</b>	<b>442,843</b>	<b>(5,069)</b>
<b>Forecast variation (under)/over</b>	<b>(78,447)</b>	<b>0</b>	<b>0</b>	<b>(78,447)</b>	<b>(79,962)</b>	<b>3,485</b>	<b>(13,362)</b>	<b>0</b>	<b>0</b>	<b>(13,362)</b>	<b>(12,979)</b>	<b>383</b>
<b>Cumulative position</b>												

## Housing Investment Programme

Programme	2010/11								2011/12					
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Spend to date	Projected spend remaining	Forecast	Variance	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Decent Homes allocation	40,000	0	0	40,000	15,054	24,946	40,000	0	40,000	0	0	40,000	40,000	0
Other major works to stock	5,089	0	0	5,089	744	3,426	4,170	(919)	4,880	0	0	4,880	7,989	3,109
Landlord obligations	14,729	0	0	14,729	3,998	11,081	15,079	350	16,877	0	0	16,877	21,565	4,688
Regeneration schemes	10,589	0	0	10,589	5,424	5,974	11,398	809	3,222	0	0	3,222	5,952	2,730
Other programmes	10,910	0	0	10,910	1,091	4,903	5,994	(4,916)	8,454	0	0	8,454	6,775	(1,679)
Strategic Safety works	5,415	0	0	5,415	595	3,654	4,249	(1,166)	4,951	0	0	4,951	6,068	1,117
Heygate	5,687	0	0	5,687	887	2,442	3,329	(2,358)	2,277	0	0	2,277	2,061	(216)
Aylesbury	5,611	0	0	5,611	247	3,315	3,562	(2,049)	9,662	0	0	9,662	8,261	(1,401)
<b>TOTAL</b>	<b>98,030</b>	<b>0</b>	<b>0</b>	<b>98,030</b>	<b>28,040</b>	<b>59,741</b>	<b>87,781</b>	<b>(10,249)</b>	<b>90,323</b>	<b>0</b>	<b>0</b>	<b>90,323</b>	<b>98,671</b>	<b>8,348</b>

<b>FINANCED BY:</b>														
Corporate Resource Pool	5,417	0	0	5,417	597	3,655	4,252	(1,165)	4,951	0	0	4,951	6,049	1,098
Housing Receipts	22,826	0	0	22,826	5,000	9,366	14,366	(8,460)	33,057	0	0	33,057	38,157	5,100
Major Repairs Allowance	37,575	0	0	37,575	5,000	32,575	37,575	0	37,666	0	0	37,666	37,666	0
Supported Borrowing	12,526	0	0	12,526	12,526	0	12,526	0	0	0	0	0	0	0
Reserves & Revenue	13,384	0	0	13,384	2,189	9,867	12,056	(1,328)	14,082	0	0	14,082	12,010	(2,072)
Capital Grants	4,474	0	0	4,474	894	3,470	4,363	(111)	319	0	0	319	2,024	1,705
Section 106 Funds	3	0	0	3	0	3	3	0	100	0	0	100	100	0
External Contributions	1,824	0	0	1,824	1,834	804	2,638	814	148	0	0	148	2,665	2,517
<b>TOTAL RESOURCES</b>	<b>98,029</b>	<b>0</b>	<b>0</b>	<b>98,029</b>	<b>28,040</b>	<b>59,740</b>	<b>87,779</b>	<b>(10,250)</b>	<b>90,323</b>	<b>0</b>	<b>0</b>	<b>90,323</b>	<b>98,671</b>	<b>8,348</b>
Forecast variation (under)/over	1	0	0	1	0	1	2	1	0	0	0	0	0	0
Cumulative position														

## Housing Investment Programme

Programme	2012/13+						Total Programme 2010/11 - 15/16					
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Forecast	Variance	Total Agreed Budget @ 01/04/2010	Budget Virements	Budget Variations	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Decent Homes allocation	160,000	0	0	160,000	160,000	0	240,000	0	0	240,000	240,000	0
Other major works to stock	17,672	0	0	17,672	26,222	8,550	27,641	0	0	27,641	38,381	10,740
Landlord obligations	28,800	0	0	28,800	28,289	(511)	60,406	0	0	60,406	64,933	4,527
Regeneration schemes	21,832	0	0	21,832	9,948	(11,884)	35,643	0	0	35,643	27,298	(8,345)
Other programmes	9,198	0	0	9,198	8,730	(468)	28,562	0	0	28,562	21,499	(7,063)
Strategic Safety works	5,000	0	0	5,000	5,067	67	15,366	0	0	15,366	15,384	18
Heygate	380	0	0	380	3,054	2,674	8,344	0	0	8,344	8,444	100
Aylesbury	19,353	0	0	19,353	22,803	3,450	34,626	0	0	34,626	34,626	0
<b>TOTAL</b>	<b>262,235</b>	<b>0</b>	<b>0</b>	<b>262,235</b>	<b>264,113</b>	<b>1,878</b>	<b>450,588</b>	<b>0</b>	<b>0</b>	<b>450,588</b>	<b>450,565</b>	<b>(23)</b>
<b>FINANCED BY:</b>												
Corporate Resource Pool	5,330	0	0	5,330	5,397	67	15,698	0	0	15,698	15,698	0
Housing Receipts	68,201	0	0	68,201	66,561	(1,640)	124,084	0	0	124,084	119,084	(5,000)
Major Repairs Allowance	154,142	0	0	154,142	154,142	0	229,383	0	0	229,383	229,383	0
Supported Borrowing	0	0	0	0	0	0	12,526	0	0	12,526	12,526	0
Reserves & Revenue	28,401	0	0	28,401	31,702	3,301	55,867	0	0	55,867	55,768	(99)
Capital Grants	6,152	0	0	6,152	6,202	50	10,945	0	0	10,945	12,589	1,644
Section 106 Funds	9	0	0	9	9	0	112	0	0	112	112	0
External Contributions	0	0	0	0	100	100	1,972	0	0	1,972	5,403	3,431
<b>TOTAL RESOURCES</b>	<b>262,235</b>	<b>0</b>	<b>0</b>	<b>262,235</b>	<b>264,113</b>	<b>1,878</b>	<b>450,587</b>	<b>0</b>	<b>0</b>	<b>450,587</b>	<b>450,563</b>	<b>(24)</b>
<b>Forecast variation (under)/over Cumulative position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>

2010/11 - 2018/19 - Programme variations since Q1 Report to Q2  
Total Programme Expenditure Budgets

Variation	Children's Services	Environment & Housing	Health & Community Services	Housing General Fund	Regeneration & Neighbourhoods	Southwark Schools for the Future	Finance & Resources	General Fund Programme Total	Housing Investment Programme	Total Programmed expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>BUDGET AS AT QUARTER ONE REPORT</b>	72,831	87,531	6,237	18,138	35,812	202,232	7,002	429,783	450,588	880,371
CHANGES IN DEPARTMENTAL RESPONSIBILITY								0		0
Description of								0		0
<b>RESTRUCTURED OUTTURN BUDGETS</b>	72,831	87,531	6,237	18,138	35,812	202,232	7,002	429,783	450,588	880,371
<b>PROGRAMME FUNDED VARIATIONS</b>										
<b>ADDITIONS TO PROGRAMME ALREADY APPROVED</b>								0		0
<b>PROGRAMME BUDGETS - Q2</b>	72,831	87,531	6,237	18,138	35,812	202,232	7,002	429,783	450,588	880,371
<b>Q2 VARIATIONS REQUESTED TO BE APPROVED</b>										
Thames Reach Employment grant			3,700					3,700		3,700
Transport for London					507			507		507
Borough & Bankside and Rotherhithe - Section 106 Funds					45			45		45
Disability Facilities Grant (DFG)				515				515		515
								0		0
<b>Total Requested to be Approved</b>	<b>0</b>	<b>0</b>	<b>3,700</b>	<b>515</b>	<b>552</b>	<b>0</b>	<b>0</b>	<b>4,767</b>	<b>0</b>	<b>4,767</b>
<b>REVISED BUDGETS - Q2</b>	72,831	87,531	9,937	18,653	36,364	202,232	7,002	434,550	450,588	885,138
<b>Q2 VARIATIONS REQUESTED TO BE APPROVED</b>										
<b>FINANCED BY:</b>										
Corporate Resource Pool								0	0	0
Major Repairs Allowance										0
Supported Borrowing								0	0	0
Reserves & Revenue								0	0	0
Capital Grants			3,700	515	507			4,722	0	4,722
Section 106 Funds					45			45	0	45
External Contributions								0	0	0
<b>TOTAL RESOURCES</b>	<b>0</b>	<b>0</b>	<b>3,700</b>	<b>515</b>	<b>552</b>	<b>0</b>	<b>0</b>	<b>4,767</b>	<b>0</b>	<b>4,767</b>

DEPARTMENT	Total Budget Available					Total Forecast Spend
	as at 01/04/10	2010/11 Forecast	Forecast 2011/12	Forecast 2012/13+		
	£'000	£'000	£'000	£'000	£'000	
Children Services - schools	72,831	26,762	15,808	27,447	70,017	
Southwark Schools for the Future	202,232	44,790	54,033	103,409	202,232	
Finance & Resources	7,002	2,756	2,325	1,921	7,002	
Environment and Housing	87,531	31,855	21,056	33,348	86,259	
Health & Community Services	6,237	9,937			9,937	
Housing General Fund	18,138	11,665	6,282	706	18,653	
Regen & Neighbourhoods/Major Projects	35,812	23,795	9,671	2,298	35,764	
<b>TOTAL SPEND</b>	<b>429,783</b>	<b>151,560</b>	<b>109,175</b>	<b>169,129</b>	<b>429,864</b>	
<b>FINANCED BY:</b>						
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	
Section 106 Funds - New	9,011	2,060	788	6,163	9,011	
Payback of Housing Receipts	(9,178)	(9,178)			(9,178)	
General fund Contribution to HIP	(15,277)	(4,252)	(6,025)	(5,000)	(15,277)	
Corporate Resource Pool	174,350	18,850	24,900	128,750	172,500	
Major Repairs Allowance						
Supported Borrowing						
Reserves & Revenue	4,216	2,722	923	571	4,216	
Capital Grants	243,157	73,878	60,330	110,536	244,744	
Section 106 Funds	10,366	7,327	3,000		10,327	
External Contributions	3,240	169		3,071	3,240	
<b>TOTAL RESOURCES</b>	<b>443,145</b>	<b>114,836</b>	<b>83,916</b>	<b>244,091</b>	<b>442,843</b>	

<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 23 November 2010	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Revised Office Accommodation Strategy	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Finance and Resources	

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

1. The council faces two significant obstacles in its financial planning over the forthcoming period. Firstly, the outcome of the Spending Review, together with other budgetary pressures such as pensions and areas of social services expenditure, place a massive and increasing burden on our general revenue budget over the next four years. Secondly, the council's capital programme is under considerable strain that must be addressed if the authority is to deliver on its commitments to the community.
2. Bringing all three of the town hall buildings and the retained estate up to standard, together with Elephant and Castle acquisition costs, would cost in the region of £24.5m. This would prevent the council spending capital on much-needed work elsewhere in the borough. The age of the buildings also mean that they are inefficient in their running costs and limited in the accommodation that they can offer our staff. The report also identifies a number of offices currently used that are of poor quality, which we have a duty as a good employer to relocate staff from. These poor conditions are similarly currently experienced by too many visitors and service users.
3. Since the previous administration's decision to sell most of the council's estate around the Town Hall and the move to 160 Tooley Street, it is important for the council to re-establish a presence in the central/south part of the borough, whilst also making more efficient use of space at 160 Tooley Street. These proposals would allow the council to do this, whilst also saving revenue costs and freeing-up capital for the refreshed Capital Programme.
4. Whilst it is recognised that the recommendations set out below will not be welcomed by some sections of the community, it should be noted that they allow for extended community use of the Walworth Town Hall, relocation of the Bermondsey One Stop Shop facilities to a more accessible location in SE16, retention of the Council Chamber and new community facilities in Camberwell. The Cuming Museum, One Stop Shop and St Mary Newington Combined Charities will remain at Walworth Town Hall.
5. It should be noted that the recommended strategy is flexible, and there is scope for further savings to both the revenue budget and the capital budget at a later stage if Cabinet decide.
6. I would therefore recommend, after due consideration, that Cabinet agree the recommendations set out below.

## RECOMMENDATIONS

That the Cabinet:

7. Agrees the principles to be applied when planning for the council's office accommodation needs as set out in appendix 1;
8. Approve the components of the strategy developed by officers in accordance to these principles:
  - Concludes that the retention of Southwark's three town halls as operational buildings as agreed on 21 October 2008 by the then Executive is not affordable;
  - The future use of Southwark Town Hall, Walworth Town Hall and 19 Spa Road (known as Bermondsey Town Hall) and the functions remaining within the town halls are reallocated in accordance with the detail as described from paragraph 47.
  - Instructs officers to bring forward plans to provide for a large shared operational office facility in the centre or south of the borough;
  - Confirms that 17 Spa Road will be surplus to requirements from 30 September 2011;
  - Instructs officers to provide alternative means of providing customer services to the current users of the Bermondsey One Stop Shop;
  - Instructs officers to develop proposals for the relocation of the pavilion building currently at 17 Spa Road to Camberwell through a full investigation of potential sites, including D'Eynsford Road, integration with wider plans for regeneration in Camberwell, a complete needs analysis and consultation.
9. Instructs the Finance Director to incorporate all resource implications arising from the agreed programme within the Policy and Resources Strategy for 2011/12-2013/14 and to incorporate capital implications within the revised capital programme for agreement by Council Assembly. Instructs the Finance Director to identify required funding in consultation with the Cabinet Member for Finance and Resources;
10. Instructs officers to commence preparation immediately on best terms for the sale of freehold, sale of leases and termination of leases, of property held by the council and released through this strategy.

## BACKGROUND INFORMATION

### The office accommodation strategy

11. In January 2007, the then Executive agreed an Office Accommodation Strategy (revised in May 2007) to improve office accommodation within the council, addressing the poor state of offices occupied by many staff and experienced by visiting service users and the need to provide modern, fit-for-purpose



accommodation to support the development of integrated services. This decision also initiated the long term reviews of accommodation at the Three Town Halls and within local areas.

12. The medium term strategy focussed on moving significant numbers of headquarters and back office staff into 160 Tooley Street, supporting transformation of the council's support functions and optimising property disposals.
13. The move to Tooley Street was achieved within budget and in advance of the original target date. The benefits realised in 2009/10 through the programme include:
  - Efficiency savings of £3 million made in shared support services as a result of the streamlining, restructuring & cross departmental alignment of Finance, HR and IT functions of service that have relocated to Tooley Street;
  - A reduction in energy bills equivalent to £250,000 as a result of savings of 350 tonnes of carbon dioxide following the vacation of a number of council offices;
  - Capital receipts, delivered or agreed, of £28 million so far with the disposals programme on target to deliver a total of £39.5 million;
  - A range of property disposed of by the council brought back into full public and community use. For example, Thames Reach have secured £6m of investment to refurbish 29 Peckham Road as a fully accessible employment academy that will include access to new community space;
  - An annual savings on office supplies of 15% or £128,000 in the corporate stationery contract with the number of invoices processed reduced from more than 1,000 to 12 when compared to 2008/09 calendar year;
  - An annual reduction in taxi expenditure of 11% or £72,000 when compared to the 2008/09 financial year;
  - A reduction of photocopiers on contract from 182 to 136 with a resultant reduction in annual rental costs of 19% or £132,000.

## **KEY ISSUES FOR CONSIDERATION**

### **Condition of the residual estate**

14. Beyond 160 Tooley Street, some 1,700 officers continue to work from more than 60 separate office sites. Many properties in the residual estate perform badly from a sustainability perspective, require significant investment to make them fully accessible and compliant, are not well served by public transport and are predominantly modular, constraining service improvement and modernisation. Above all maintenance and facilities costs of ageing and dispersed buildings are very high, taking money away from front-line service delivery with significant capital liabilities for investment, thereby reducing the capital available for other council priorities.
15. Many properties provide a very poor working environment leaving the council

vulnerable to accusations that it is not meeting its duty of care and making more challenging recruitment and retention issues. The Chaplin Centre and Bradenham, for example, suffer from significant inherent design defects including lack of natural ventilation and daylight, draughts in winter due to ineffective cladding systems, and poor insulation and poor foul drainage systems. In addition, both buildings have a history of flooding from flats above. Not only does this have a significant financial impact as areas which suffer from flooding often require significant remedial works, but it has also made parts of the buildings not available for occupation for periods as well as destroying important files and office equipment including computers and printers. Both buildings are earmarked for demolition as part of the Aylesbury Estate regeneration project and the accommodation needs to be re-provided. Although these conditions are among the worst, poor conditions exist in many other properties including Walworth Town Hall, Harper Road and several area housing offices.

16. Due to their disproportionately high revenue costs and major capital liabilities, Southwark's three town halls at 19 Spa Road (Bermondsey Town Hall), 151 Walworth Road (Walworth Town Hall) and 31-33 Peckham Road (Southwark Town Hall) have been subject to surveying and architectural investigations. These have shown significant barriers to improvement and reduction in costs that would require major capital investment to address including:
- Poor public and staff accessibility;
  - New lifts required in all three town halls;
  - Predominant design of cellular office space;
  - Inefficient and outdated, at the end of their useful life;
  - Deteriorated finishes in most areas requiring renewal;
  - Inadequate toilet and welfare facilities;
  - Poor sustainability performance.

### **The Three Town Halls**

17. The Three Town Halls and Residual Estate Strategy, agreed by the then Executive in October 2008, set the direction for the development of proposals for Southwark's town halls following the rationalisation of administrative and management functions at 160 Tooley Street.
18. Subsequent development of the proposals in this strategy have identified that:
- Any occupation of the Town Halls beyond the very short term requires significant capital investment not currently agreed in the capital programme but identified as costing £20 million;
  - There are no identified service requirements that could be adequately accommodated without this investment;
  - Where investment has been agreed (19 Spa Road), the outcomes required can be achieved with significantly reduced capital expenditure on modern accommodation elsewhere;
  - The Three Town Halls currently cost £1.5 million a year to maintain. Continued occupation of the Town Halls will result in increasing costs for maintaining and operating the facilities as they age.

19. The proposals agreed in 2008 were for 19 Spa Road to be refurbished to provide for specialist children's service provision and office accommodation; for light refurbishment at Southwark Town Hall to provide flexible accommodation and democratic functions; and for significant investment at Walworth to provide a new civic presence for the borough.
20. The capital cost of this strategy was initially identified as £11.7m, however, it was recognised that this would only represent a temporary solution for Southwark and Bermondsey, which with this level of investment would only have a life of 5 and 10 years respectively.
21. The proposals were subject to detailed feasibility, financial and architectural studies. These showed that to facilitate public access and an acceptable quality of public and staff accommodation at 19 Spa Road would cost £7 million, for which capital funding was agreed through the capital programme update in February 2010.
22. Further investigation of the Bermondsey proposals following the capital bid identified that while potentially suitable for re-use, as an historic building, Bermondsey Town Hall would inevitably provide a less flexible environment with lower sustainability and accessibility standards for a higher cost than providing the equivalent accommodation in a new building. In addition, Spa Road is acknowledged as having poor access to public transport and is not a preferred location for customer contact.
23. Applying a long term approach to Southwark Town Hall to avoid ongoing further essential expenditure in the medium term to deal with mechanical and electrical, structural and access works, and to provide a functional and accessible building, the capital cost of refurbishment was re-assessed as £9 million. Beyond the current democratic functions there is no clear end-user for the space that would be provided, as the requirements for flexible shared accommodation identified in this report cannot be met at Southwark Town Hall.
24. Development of the preferred proposals for Walworth of joining the Town Hall building with the adjacent Newington Library and refurbishing both, identified a capital cost of £14 million.
25. However, the fundamental constraints of the property mean that the final offer is unlikely to be ideal. In particular, a proposed civic hall in the current chamber could only ever be of medium size and heritage and planning considerations are likely to make it extremely difficult to facilitate the natural flow from the pavement into the atrium as considered in the revised vision. In addition, while bringing the two buildings together creates additional public space and a more flexible configuration, the cost of constructing the central atrium and connecting the buildings, each on different levels, at each floor, disproportionately increases the costs of design and construction whilst only marginally increasing the headcount that can be accommodated in the building.
26. It is recognised that a civic presence and strong civic identity for the borough is important. However, the Town Halls have very limited capacity to achieve this, especially with respect to public access to democratic functions which is acknowledged as poor. The council's Democracy Commission has been established with the aim of bringing the council closer to its residents, making it more accountable to them and more connected with their concerns. The Commission will investigate alternative ways of making the council accessible,

including web-casting and community based meetings. Provision for public access to Council Assembly at Southwark Town Hall has already been highlighted as a major concern with the current viewing gallery identified as giving a poor view of proceedings, no opportunity for interaction and no access for those with limited mobility, requiring wheelchair users to be accommodated on the main floor of the council chamber. The first stage recommendations on council assembly reported to cabinet in October 2010 and this revised flexible accommodation strategy will seek to support the implementation of the recommendations of the commission in the context of what can be shown to be affordable.

27. The cost of the Three Town Halls development agreed or proposed in the current capital programme is therefore £30 million, incorporating the library development and an estimated £20 million without, with the end service use of the properties only partially identified.

### **Maximising value for money at 160 Tooley Street**

28. The council recognises that an important component of its accommodation strategy is to maximise the return on the investment at Tooley Street and decrease accommodation costs per person by ensuring all available space is being fully utilised. This will ensure that benefits are delivered over and above those agreed in the initial business case.
29. Following the original occupation of the building, officers have identified capacity to bring in an additional 450 staff and 160 have already moved in. This capacity is available through both reductions in overall headcount and extensive adoption of flexible working practices, which in time will allow desk to staff ratios to be reduced as the building absorbs additional staff from the residual estate. Further, there is capacity in some areas of the building to increase the number of desks if required in the future.
30. Finally, operating from Tooley St has shown it to be a flexible facility and a new standard of facilities management means that it is adaptable to different uses including, if required, an increased public or customer use.

### **Reviewing accommodation requirements outside of Tooley St**

31. A model of area based service delivery was also proposed in the 2007 strategy, in response to which officers prepared a feasibility study exploring how staff with a requirement for office access outside of Tooley Street could be accommodated within a rationalised estate within this model, focussing on making best use of property within the existing estate. The feasibility study identified that these proposals were high cost in capital and revenue terms and would only have had a limited impact in improving the overall condition of the office estate. An additional capital allowance of £5m has been proposed for the delivery of this localities based model of service delivery.
32. The organisational context for developing accommodation solutions has changed since the accommodation strategy was first designed. The viability of locally based teams in the current financial situation, changes to customer access and approaches to civic identity are all under consideration.
33. Firstly, several services key to the local service approach have changed their business models, reappraising the efficiency and effectiveness of locating

specialist teams in multiple locations to form area based teams. For many services, there is agreement that a more effective accommodation model for those officers who spend significant time working directly in the community, would see fewer, more flexible sites located centrally with good access to public transport.

34. For example, Children's Services locality teams no longer consider being based in areas an effective model of service delivery and indeed some of these teams are now based in Tooley Street; Housing Management are also reconsidering the most efficient split between locally based customer service points, officers who need easier access to the areas in which they work and centralised shared teams; The community warden service now operates on a five-town centre model based from four locations, rather than the previous eight community council based teams. Finally, Health and Social Care area based teams are likely to be reviewed.
35. In some cases, a relatively minor element of specialist provision is preventing teams from co-locating in shared generic space. If the requirement was provided in a shared "depot" style location or other shared facility, office space would be freed up for rationalisation. This may be achievable within the council's existing depot provision.
36. Secondly, the viability of locally based teams will be put under significant pressure from head count reductions anticipated in all services during the coming years in response to budget pressures. Along with the further rationalisation of additional teams into Tooley St, this will reduce the number of officers who would be located in areas, increasing the unit costs of supporting any remaining area based staff.
37. Thirdly, customer service access requirements are changing as the capacity of e-transactions increases with website improvement. The overall volume of transactions is also expected to decrease with improvements to customer service through the Tell Us Once approach and further reduction in avoidable contact through process review and service improvement, avoiding complaints and repeated contacts. The council is reviewing its approach to customer access, including reviewing distinct "front desk" requirements assumed in the development of local service delivery. This review will also take into account the impact of bringing the revenues and benefits service in-house and improvement targets in One Stop Shop and Customer Service Centre operations.

### **Programme principles**

38. To guide the development of a new strategy, a set of Programme Principles were developed (see Appendix 1). These recognise that in order to continue to deliver essential services and investment in an environment of challenging revenue reductions and severe capital constraints, the costs of maintaining ageing buildings has to be reduced and the capital available for upgrading buildings will be severely limited. In addition, a new accommodation model is required to support service improvement in an uncertain and fast changing environment.
39. These principles are designed to be consistent with, and complementary to, the Office Accommodation Strategy agreed in May 2007 by the former Executive, of which the development of the facility at 160 Tooley Street represented the first phase.

### **Outline property requirements**

40. The following accommodation model is proposed to continue property rationalisation and apply the revised programme principles:
- Maximising the use of Tooley Street;
  - Acquiring shared flexible accommodation on the Tooley Street model in the centre or south of the borough as a main operational centre;
  - Specialist accommodation remaining at specialist sites but rationalised to make the best use of available facilities;
  - Well regarded and accessible customer access points either within current One Stop Shop facilities or, in the medium to long term, co-located in existing facilities such as libraries (to be developed through revision of the council's customer contact approach);
  - Establishing the flexibility to respond to the anticipated significant reduction in council staff during the life time of the programme.
41. Taking into account the surplus capacity available at 160 Tooley Street, components of specialist need and anticipated overall reduction in the council's head count during the next budgeting period, the council is seeking to develop a low-cost facility in the centre of the borough to provide a shared operational centre for 400-600 staff to complement the administrative and management centre at Tooley Street and to create a significant council presence in the centre of the borough.
42. This new provision will need to be flexible and adaptable to allow the council to remain responsive to changing service needs and potential significant reductions in head count.

### **Shared operational centre - property options**

43. The major new component of accommodation to meet the requirements set out above is for shared flexible office space in the centre or south of the borough for 400-600 staff, requiring a building of approximately 30,000 to 45,000 sq/ft, assuming a ratio of seven workstations to ten staff and a space allocation of 107 sq/ft / 10 m<sup>2</sup> per workstation. This property will require an element of customer access provision, especially to accommodate specialist services including health and social care. Property options have been appraised against cost and their correspondence with the Programme Principles outlined in Appendix 1.
44. The three town halls were considered as part of this appraisal, but do not form part of the preferred options. 19 Spa Road does not fit the criteria of being located in the centre or south of the borough and indeed the council has now established a significant new presence in the north of the borough at 160 Tooley Street. As described above, Walworth and Southwark Town Halls present an extremely expensive option for providing office accommodation of a modern, sustainable and accessible standard. Designing in acceptable levels of environmental performance and dealing with essential works to services would require substantial retro-fitting and cause business disruption, including building closure. Even with extensive investment the Town Halls are unlikely to deliver the full business benefits of a modern work environment and the requirements being sought in this property search. Additional challenges would arise through both 19 Spa Road and Walworth Town Hall being listed.

### **Preferred property option**

45. Based on the outcomes of the appraisal, a preferred option has been identified and officers continue to negotiate with the developers to acquire use of the building on best terms.

### **Additional property requirements**

46. Specialist Children's Services are provided from Bradenham. This business case assumes that these staff are re-accommodated in line with the programme principles, which prioritise moving teams from the poorest quality accommodation first. However, the proposed shared operational centre will only partially satisfy Children's Services' accommodation requirements and officers are preparing revised options for Children's Service management to consider how services could be deployed, including making best use of existing sites. An allowance is made in the business case set for equipping and maintaining any new facility required.

### **Conclusions for the Three Town Halls**

47. The three town halls do not form part of the preferred option for delivering a shared operational site and without considerable capital investment they are not suitable for the accommodation of any specialist or customer facing services. In addition, the town halls are expensive to maintain when compared with modern accommodation and limit the opportunities to make major savings through modernising the way the council works.
48. New opportunities also need to be noted when considering whether the Three Town Hall Strategy continues to offer a value for money solution when compared with other options. These considerations are set out below along with proposals for each of the Town Halls.

### **Southwark Town Hall**

49. The most significant function that remains accommodated in Southwark Town Hall is Council Assembly, which currently meets approximately eight times a year. The council's Democracy Commission report in October 2010 included the recommendation that future Council Assembly Meetings be alternated between venues throughout Southwark that have been screened and assessed for their suitability, the criteria for a suitable venue to include maximum participation and involvement by the community. This assessment will also include the current Town Hall Council Chamber. The report further recommended that officers explore this recommendation and the special requirements outlined in the report and present suitable alternative venues with costs for the various options.
50. An opportunity exists to secure a long term future for Southwark Town Hall by granting a long lease to a public sector partner and a discussion has been initiated subject to this report and further approvals. Pursuing a long-lease option would reduce revenue costs at this building and save significant capital investment required to maintain it in council use. A capital receipt for the lease will also be available. Should a deal with this potential occupier not be available on acceptable terms, the property could be offered on the open market.
51. Negotiations with the organisation currently expressing interest in Southwark Town Hall include the option of the council retaining access to the council chamber if required and this is the preferred option at present. The details of any

such arrangement are subject to further negotiations and will be reported back to cabinet in due course for decision. This would have the potential to keep public access to council meetings in a chamber that might be refurbished for joint use, while making significant revenue savings in facilities management. However, requiring the retention of permanent access to the council chamber would reduce the capital receipt for the property and the necessary arrangements would take extra time to negotiate and agree, delaying the point at which the council can reduce its revenue expenditure and receive capital. It might be necessary as part of any arrangements to pay rent and/or other charges for continued use of the chamber.

52. While Southwark Town Hall is at present largely unoccupied, a small number of residual functions remain operating from the building. Where administrative, such as storage, the post room and elections administration, these functions will be accommodated elsewhere on the estate. Plans are already in place to move the post room to Tooley Street saving £35,000 per annum through reduced contract costs. Proposals for the future location of other functions are set out below.
53. A project is underway to review current meeting room utilisation at Southwark Town Hall with the intention of accommodating the majority of council committee meetings at 160 Tooley St. Initial work indicates that this is feasible.
54. In order to accommodate a significantly higher volume of public meetings at 160 Tooley Street, the management of public access will need to be reviewed. In addition, additional audio-visual equipment will need to be installed in the conference suite to accommodate council meeting requirements, especially for complex planning matters. Extended opening hours at Tooley St and increased security will have a revenue impact offset by facilities management savings from ceasing operations at the Town Hall.
55. The Mayor's Parlour along with office accommodation for the civic officer is also accommodated at Southwark Town Hall. In Southwark, the Mayor has an important ceremonial and civic role, acting as the borough's first citizen, representing the borough at events, hosting receptions and meetings and presiding over Council Assembly. The Mayor's Parlour is used for meetings and official entertainment with events hosted by the Mayor also using adjoining rooms.
56. Options have been considered for accommodating the Mayor's Parlour away from Southwark Town Hall. An achievable solution has been identified at 160 Tooley St and a set of suitable offices will be made available for adaption as the mayor's parlour. In the eventuality that access to the council chamber at Southwark Town Hall is retained for Council Assembly meetings access to appropriate accommodation and facilities will be retained and provided for the Mayor.
57. A number of civic events have already been successfully held at Tooley Street and the building houses a range of facilities adaptable for different requirements including the cafe, atrium, conference suite and other large meeting rooms.
58. In addition, a range of high quality facilities are available within Southwark's third, public and private sectors that could be used for civic functions, although charges would apply. For example, the new cafe in development at Chumleigh Gardens, open to the enclosed garden, would be suitable for civic events, as would the new garden room at the South London Gallery.



59. There is currently some limited use of Southwark Town Hall for public and community meetings, which may not be suitable for Tooley Street, for example locally based meetings such as community councils.
60. It should be noted that following the agreement of the May 2007 accommodation strategy, a subsequent business case justified the retention of Cator Street and therefore the council retains another operational facility in the vicinity of Southwark Town Hall available for large scale public meetings.
61. In addition, on 16 August 2010 Thames Reach completed the purchase of 29 Peckham Road (to the west of Southwark Town Hall, across Havil Street) from the council having secured planning and listed building consent and £6 million funding to restore and improve the property to accommodate an employment training and resource centre. Thames Reach intends to make meeting space within the building available for hire by local people and community groups, particularly during evenings and weekends.
62. An opportunity exists in Camberwell through the relocation of the building currently sited at 17 Spa Road to revisit the community and customer service offer in the Camberwell area. This is set out from paragraph 76 below.
63. A range of accommodation is available for council members at Southwark Town Hall and 160 Tooley Street including rooms dedicated to political groups and shared member space. While there remains some use of the facilities available at the Town Hall, this is very low volume and concentrated around council meetings. If the main business of council meetings is to be relocated to Tooley Street, group accommodation would also be provided only at Tooley Street.
64. Citizenship ceremonies are currently held in the council chamber at Southwark Town Hall. Although the chamber has civic significance, an important consideration for new citizens, the event suffers from the same range of problems of accessibility for participants and guests as Council Assembly, particularly for those in the public gallery. The Registrars service is exploring options for holding citizenship ceremonies elsewhere in the borough, including making use of Southwark's many community assets and famous venues. The revenue implications of any net increase in venue costs will need to be taken into account in service budgeting.
65. A main information services data centre is maintained in a building to the rear of Southwark Town Hall. Initial estimates indicate that the costs of relocating the data centre are considerably more than the potential additional value that this unit would add to any disposal of the whole site. Services can be separated from the data centre and it can be managed separately in the future.
66. The council is required to have a principal office and this should now be identified as 160 Tooley Street.

### **19 Spa Road (Bermondsey Town Hall)**

67. If 19 Spa Road is not developed by the council for the reasons described in paragraph 22, the market around the Bermondsey Spa Regeneration area suggests there is significant opportunity for a valuable disposal.
68. Pursuing this option removes the requirement of £7m capital investment already

in the capital programme and generates a significant capital receipt.

69. Currently, 19 Spa Road is largely empty. Re-provision of any remaining required local facilities, including if required for staff delivering housing management functions, can be made at other local council buildings and in commercial units if required.
70. Non-local functions are expected to be accommodated in the remaining estate.

### **Walworth Town Hall**

71. Currently, Walworth Town Hall accommodates the Cuming Museum and the Walworth One Stop Shop, which are both located on the ground floor of the building. The Cuming Museum is accessed through the main entrance on Walworth Road, however, the One Stop Shop has separate access to the main building via Wansey Street. Some office accommodation on the upper floors is used to accommodate teams displaced through other accommodation change processes but there are no long term users of the upper floors. In addition, the St Mary Newington Combined Charities have occupied rooms on the ground floor for many years.
72. In order to allow for possible retention of public facilities, proposals are being developed in association with the Elephant and Castle regeneration scheme with a view to keeping public use in the building subject to further agreements.

### **Memorials**

73. Across all three town halls a range of memorials and plaques are exhibited. The council recognises the importance of these features of the borough's history. Proposals will be developed for the relocation (subject to the relevant planning and conservation constraints) or maintenance in place in perpetuity of these memorials as appropriate to the memorial and any agreed new users of the properties.

### **Disposal of surplus buildings**

74. Through expansion of the Tooley Street programme and other property rationalisation in addition to that previously envisaged in the 2007 Office Accommodation Strategy, the following properties have been made surplus:

<b>PROPERTY</b>
Blenheim Grove – 9
Camberwell Church St. 73
London Bridge 1 – Downstream Building
Library Street AHO
Peckham High Street 91

75. A further rationalisation resulting from the conclusions shown in this strategy will release an additional set of properties as surplus to requirements. Officers will seek to bring forward disposals ahead of completion of new accommodation to minimise ongoing revenue costs and reduce the impact on the capital programme.

## 17 Spa Road

76. 17 Spa Road is currently the site for the Bermondsey One Stop Shop. The pavilion building on site was installed in 2005 and designed for a life span of up to 10 years but with the capacity to be deconstructed and reassembled elsewhere. It has served effectively as a customer access point, however it is acknowledged that the building is larger than required, resulting in unnecessarily high running costs and carbon emissions. Spa Road is also poorly served by public transport.
77. On the 29 September 2009, the then Executive approved the disposal of the adjacent Site C5 to Notting Hill Housing Trust. The then Executive also approved the sale of 17 Spa Road to Notting Hill subject to a further Executive decision that this property is surplus to requirements.
78. In urban design terms, it is desirable that any scheme incorporates both Site C5 and 17 Spa Road to ensure adequate permeability through Site C5 and provide an active link to Spa Gardens. The development of Site C5 without 17 Spa Road would not have the benefits of the two schemes considered as a whole and would reduce the opportunities for the sale and development of the Council's remaining landholdings within Site C5. This site could alternatively be offered for sale in conjunction with 19 Spa Road.
79. Contracts were exchanged in January 2010 for the sale both of this site and the adjoining land, Site C5.
80. The completion of the sale of both sites is subject to planning consent. Notting Hill's proposals have now been through the pre-application process and local consultation and a planning application was submitted on 16 October 2010.
81. The council may be in a position to complete the sale in March/April 2011. The council is in a position to delay the sale of 17 Spa Road if desirable as Notting Hill are not planning to start their development on this part of the site until mid 2012. Delaying completion clearly delays receiving the capital receipt.
82. However, property officers advise that the sale of 17 Spa Road will be put at risk if we are not able to give Notting Hill a clear commitment to a date when the site will be surplus.
83. Vacating 17 Spa Road gives an opportunity to review the location of the One Stop Shop with respect to other customer service access points and the contract costs in line with the revised customer contact approach. The plan endorsed by the previous Executive was to relocate Bermondsey One Stop Shop into the Town Hall after completion of the refurbishment to allow for disposal of its current site. Provision close to the current site is possible through available commercial units, however as noted above, public transport access to the current site is poor and a more accessible offer may be provided at Canada Water within the new development, including the possibility of provision at the new library, more detailed proposals will be brought forward early in 2011.
84. A date of 30 September 2011 has been proposed to bring forward the capital receipt to reduce pressure on the capital programme while also allowing sufficient time for services to relocate.
85. Assuming that the council vacates Southwark Town Hall, it will have limited presence in the Camberwell area, especially as the Harris Street Area Housing

office site, which provides front desk services for the Camberwell Area, is due for demolition as part of the Elmington Estate regeneration scheme.

86. There is an identified need in Camberwell to provide a customer access point and to re-provide the library, both of which may be achievable using this structure.
87. In addition, in the June 2010 Cabinet report, *A Fairer Future for All*, implementing plans for a new town centre in Camberwell was set as council policy.
88. A site has been identified in Camberwell at D'Eynsford Road, in front of the Camberwell Magistrates Court, with the potential to accommodate the pavilion. Installing this structure at the north end of Camberwell Green has the potential to initiate a redesign of the immediate surroundings, increasing footfall and opening up the square in front of the court.
89. The Camberwell site offers a number of benefits and matches to council priorities:
  - The council owns the site;
  - A Cleaner, Greener, Safer scheme is already in place to refurbish the adjoining children's playground. These schemes could be complementary;
  - There is the potential for co-locating with partner organisations in this venue, providing enhanced customer service at lower costs.
90. An allowance has been made in the business case for implementing this proposal. However, the proposal is at an early development stage and requires officers to develop proposals through a full investigation of the site, integration with wider plans for regeneration in Camberwell, a more complete needs analysis for the facility, feasibility study, business case development, consultation and planning consent.

### **Outline business case**

91. Beyond 160 Tooley Street, the council owns most of the property it currently occupies. It does not currently pay any rent for owned property that is dispersed across the borough although there is clearly cost to that capital retained on the council's balance sheet. Historically, inadequate revenue and capital repairs and maintenance budgets have been allocated to council offices, largely as a result of other urgent priorities within the council. Any new lease accommodation solutions will mean that the council has to pay a market rent and maintain a modern "fit for purpose" office and this will create a new cost line within the budget. On the other hand, the council is able to dispose of its existing estate made available by the vacation of the buildings and benefit from associated capital receipts, from freeing up space required for other development and regeneration activities and from the removal of revenue costs on this dispersed estate.
92. An outline business case has been prepared for the implementation of this strategy and is outlined in the closed report. It concludes that the development of an additional modern, fit-for-purpose workspace presents the council with an opportunity to avoid the significant property liabilities and costs for proposed refurbishment of the current estate and to make major reductions in the council's CO<sub>2</sub> emissions. Overall, facilities management costs will be reduced.

## 93. Benefits identified include:

- An allocation of £7million is currently made in the council's capital programme for investment at 19 Spa Road. This will be saved if this strategy is adopted;
- Although not agreed, a further allocation of £14 million and £9 million has been proposed for investment at Walworth Town Hall and Newington Library and at Southwark Town Hall respectively;
- In addition to facilities management savings made by ceasing the use of 17 Spa Road, contract savings may be expected through negotiation with the council's customer service partner;
- As noted above, there is a significant non-cashable reduction in long-term liabilities on major property repairs and maintenance at decommissioned properties;
- There is a non-cashable saving in not having to re-provide accommodation for officers displaced by regeneration activity, making available strategic regeneration sites in Spa Road, Stopford Road, the Aylesbury Estate and Harris Street;
- Through maximising the use of Tooley Street, there is a non-cashable saving for not having to provide accommodation elsewhere for the new in-house Revenues and Benefits Service. In addition, there is a significant benefit of co-locating the new service with other council teams and senior management in terms of giving the best opportunity for the new team to develop a new, improved and more cost effective service;
- There is a non-cashable reduction in health and safety risks to staff working in poor conditions and the provision of one main operational centre building will aid more consistent compliance with welfare and health and safety arrangements such as sanitation and first aid requirements (including increasing emergency defibrillator coverage for a greater percentage of the workforce). Compliance with legislative duties including electrical equipment, asbestos, fire, workstations and hazardous substances will improve as more resource can be focused on one location instead of the intense efforts currently being dissipated across many sites of varying size, condition, age and complexity;
- Through improving working conditions and welfare facilities, there is a non-cashable benefit of increased productivity and improved staff morale; Recruitment and retention will improve through improved working environments better connected to transport links;
- There is a non-cashable increase in flexibility of the estate, reducing future costs of providing different facilities as the council's requirements evolve;
- Bringing operational staff together at one site will give the opportunity for improvement in the quality and consistency of customer service and the expectation of improved joint-working between front line teams;
- Replicating the design and facilities of Tooley St at a second large office site will increase the council's resilience to recover from any event which had a

major impact on operations at Tooley Street. A large single site would provide an alternate temporary headquarters with all systems and facilities already in place;

- Meeting a council wide reduction target of 60% by 2016/17 would require total savings of 25,000t CO<sub>2</sub>. Adopting this model could account for a significant proportion of this target.

### **Policy implications**

94. The Corporate Asset Management Plan agreed by the then Executive in May 2008 (AMP 2008) explains how the council's property assets must be used in support of its strategic objectives. It identifies corporate asset objectives for each category of property. For operational office and administrative assets, the following objectives are identified as being:
- Continual review of corporate office and administrative accommodation requirements within the context of an overall programme of optimising use, consolidation and rationalisation;
  - Improvement of retained accommodation through the adoption and application of council-wide space standards and accommodation quality standards;
  - Reduction of running costs through more efficient utilisation and building efficiency;
  - Improved service delivery by redirecting accommodation costs into service improvements;
  - Explore opportunities for accommodation sharing with partners and benefiting from organisational proximity and economies of scale.
95. A revised asset management plan (AMP 2010) is currently in preparation focussing on developing a smaller and more sustainable corporate estate, building on the estate rationalisation already undertaken through the first stage of the Modernisation Programme. AMP 2010 will seek to ensure that an estate is developed that will be responsive to changes in demand and to corporate restructuring, including the objective of promoting collaborative and partnership working. It will also prioritise contributing to key regeneration projects through appropriate use of council assets; improving overall stock condition; ensuring statutory compliance and minimising exposure to risk.
96. Through implementing the model described in this report, the revised strategy will support the delivery on these objectives.
97. Through creating the conditions for service transformation, the revised model will also contribute significantly to the Council's corporate priority of transforming public services. Through having a major impact on reducing the council's energy use, the programme will also contribute to the council's valuing the environment priority.

### **Resource implications**

98. Revenue and capital implications are set out in the business case. Resources for delivering the strategy will be identified by the Finance Director in consultation with the Cabinet Member for Finance and Resources.

99. The strategy will support medium term resource planning and is consistent with the budget principals agreed by cabinet on 21 September 2010. Specifically, it seeks to protect front line services by reducing the costs of council operations, it takes a value for money approach to office accommodation provision and it takes a medium to long term view.

### **Community impact statement**

100. This community impact assessment considers how the overall revised office accommodation strategy might affect different communities in Southwark and considers any implications for equality and diversity. It also considers what impacts there might be on staff.
101. A full equality impact assessment of the revised office accommodation strategy has been programmed to coincide with the development and implementation of the strategy.

### **Main impacts**

102. The revised accommodation strategy recommends the consolidation of a further significant number of services and civic functions of the authority from various current locations through a combination of a new low cost facility in the centre of the borough and the maximisation of existing facilities such as Tooley Street, Cator Street and current depot facilities.
103. This would involve the relocation of up to 1,000 staff, which is approximately 20% of the council workforce, into a new central operational facility and into the council's existing administrative and management headquarters at 160 Tooley Street.
104. This consolidation would be complemented by the disposal of a number of existing buildings spread relatively evenly across the borough, with only two currently accommodating over 100 staff.
105. The proposals include change of use of the three town halls and the relocation of the civic and democratic functions that are carried out from Southwark Town Hall.
106. The proposal also includes the relocation of customer service access from Spa Road.
107. There are broadly two key issues arising from this strategy:
- Whether the proposed arrangements will enable the council to provide more effective services to the community and whether this will imply a different impact on different sectors of the community, including on staff;
  - Whether the occupation by the council of these buildings will have any different impact from the use by others of those buildings or redeveloped sites.
108. A major criticism of the council's current facilities is that in specific cases, adaption to fully meet the needs of disabled staff and residents is extremely difficult within the current configuration.

### **Impact on members of the public**

109. The three town halls currently have very limited community use. The facilities at

Southwark Town Hall for holding public and council meetings are poor; there is limited public access to the chamber with limited observation; disabled access is poor; and acoustics for those with hearing impairments are also poor. The Democracy Commission has highlighted these issues as being of public concern and of potentially limiting access to democratic processes recommending that future Council Assembly Meetings are alternated between suitable venues throughout Southwark. The revised accommodation strategy supports this recommendation considering a range of options for holding Council Assembly all offering increased accessibility and improved facilities that will improve access for all.

110. The revised strategy includes making appropriate provisions for customer service access to replace that available from 17 Spa Road in line with the revised customer contact approach.
111. Implementation of the revised strategy will also need to ensure that appropriate provision is made for vulnerable client groups to be made aware of any changes to where services will be provided from. Any new facilities are likely to have increased accessibility and higher quality facilities.

### **Impact on staff**

112. The equality impact assessment carried out for the 2007 Office Accommodation Strategy reported that the Equality and Diversity Panel on 21 August 2007 noted that, in the vast majority of cases, the impact of that strategy on staff would be positive or neutral. The panel noted that for some staff with a disability the opportunities for greater flexible working would also be beneficial. It welcomed the benefits for staff, especially the improvements to their morale with the move to a modern office environment.
113. In the estate identified for disposal, recruitment and retention issues of key staff groups required to carry out the council's functions are made more challenging by the poor quality of the working environments and the distances of workplaces from major transport hubs. Deciding factors for potential and existing staff are the poor accommodation and inaccessibility by public transport. Target groups from which to recruit include the BME community, women and disabled people.
114. The majority of the buildings identified for disposal are not currently fully accessible to disabled people, despite reasonable adjustments being made where possible. Whilst this does not directly discriminate against any individual employee, it has the potential to exclude disabled staff from taking part in regular activities, such as attending meetings and training in buildings that are not accessible. Extending the use of Tooley Street and providing a new operational facility will provide a highly accessible and adaptable environment for staff.
115. This strategy will allow the council to extend the opportunity to work in flexible, accessible, modern accommodation to substantially more staff.
116. Modern and flexible ways of working have the potential to benefit staff at all stages of their working life, especially staff with disabilities, those with caring responsibilities or older people changing their role or reducing the time they spend at work.
117. Staff with childcare or other caring arrangements may have some difficulties with relocation. However the long lead-in time to relocation will allow for consultation and for the council to identify these difficulties and develop ways of mitigating any



impact.

118. There is likely to be no direct adverse impact dependent on the ethnicity or faith of staff as a result of the revised accommodation strategy. Planned staff consultation will allow the council to identify issues and work with staff to reduce any differential impact on issues of race/ethnicity.
119. Although the experience of Tooley Street has been widely considered successful, it is important that lessons learned from the design and occupation of the building are capitalised upon. During the implementation stage of the revised accommodation strategy it is essential that staff consultation takes place through a full equality impact assessment.
120. Transport is a key factor on several points; getting to and from work, which might involve convenient routes via schools and child care facilities, which are most likely to be needed by female workers. Safety is paramount for many staff and can be of particular concern to female staff, older staff and staff from the LGBT community. Disabled people are often faced with barriers to transport whilst at work. All buses operating in Southwark are now accessible to disabled people, but the distance from bus stops to the council buildings outlined for disposal in this strategy in practice means that this does not allow for accessibility throughout the whole journey. Lack of accessible parking facilities close to these council buildings is also a significant problem and often excludes disabled people from going to them.

#### **Impact of disposal of existing buildings**

121. The council's experience of marketing properties vacated in the first phase of the office accommodation strategy has shown that opportunities do exist to retain or facilitate community use in surplus buildings. While the main focus has necessarily been on maximising capital receipts, and all the properties have been dealt with on that basis, there have been notable successes in enabling continued social benefit from public assets.
122. The homelessness charity Thames Reach have purchased the lease-hold of the historic 29 Peckham Road (adjacent to Southwark Town Hall), originally built as the home of the Camberwell Poor Law Guardians. The £6 million investment project is due for completion in 2011. The new community facing users will maintain and enhance the listed features and will make the building fully accessible. Thames Reach has secured planning consent and funding to convert the property into an employment academy that will co-locate services for vulnerable people. Thames Reach plans to make the former assembly space available as a fully accessible community room available for hire externally.
123. 9 Larcom Street and 15 Spa Road have also been redeveloped for public use, the former by the Terrence Higgins Trust to facilitate their work and serve as an administrative base and the latter by the Kagyu Samye Dzong Buddhist organisation that will convert the building for use as a religious centre to include teaching, complementary healthcare and community uses.
124. The council's economic development team works to support new local employment activity and will do so with any new users of property currently held by the council, including through links to Southwark Works and ensuring planning provisions are in place to support local employment.

125. In principle, disposal of the buildings earmarked by the revised accommodation strategy would have the same potential impact on the community as any other change of use or redevelopment. This would be considered as part of any planning application for alternative uses. Considerations would include:
- Local residents and businesses will be affected by construction works if a site is redeveloped;
  - If the building changes from office to another use (e.g. residential) this will have an impact upon the surrounding properties;
  - Changing from office use to residential use may have an impact on the demand for local parking facilities;
  - Changing from office use to other use might lead to a change in the pattern of trade for local businesses.
126. The council offices identified within the revised accommodation strategy to move are spread across the whole borough, mainly in small premises of fewer than 50 staff and their dispersal across the borough along with the relatively low number of staff located in each site means there would be limited impact on local businesses in their immediate vicinity from any change of use.

### **Impact on public transport**

127. The vacation of the identified buildings will not produce a change in the overall pattern of the use of public transport due to the dispersal across the borough of the properties and the relatively low number of staff in each site.
128. There is potential impact for specific communities around the location of a new facility, but a high priority for the location will be the accessibility of public transport, in line with revised programme principles and, as at Tooley Street, travel to work by car will be minimised.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

129. The closed report recommends that Cabinet delegates authority to the Chief Executive to approve the entering into of a lease on a shared operational centre.
130. In acquiring any property whether by lease or by purchase Cabinet will note the requirements of s120 of the Local Government Act 1972 ("the 1972 Act"). This provides that a council may acquire by agreement any land, whether situated inside or outside its area, for the purposes of :
- a) any of their functions under [the 1972 Act] or any other enactment; or
  - b) the benefit, improvement or development of their area.
131. In disposing of any property whether by long lease or by freehold sale Cabinet will note the requirements of s 123 of the 1972 Act which states that :
- Except with the consent of the Secretary of State, a council shall not dispose of land other than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
132. At the time of any disposal, Cabinet will need to be satisfied that the consideration being obtained by the council for that disposal represents the best that can reasonably be obtained.

133. Where disposals are of land held within the Council's housing portfolio, disposals can only proceed in accordance with s32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
134. A number of general consents have been issued in the General Housing Consents 2005. The terms of any disposal will dictate which of the General consents is applicable to that disposal and legal advice will need to be sought at the time of the relevant disposal to ensure that the disposal complies with the relevant General Consent.

### **Finance Director**

135. This report updates the previous office accommodation strategy by the proposals set out above. Central to this is the proposal to provide a shared operational facility in the centre or south of the borough and to include the three town halls within the revised disposal programme.
136. An outline affordability assessment has been drawn up but a full financial model needs to be prepared by officers. Lease terms for the proposed new facility have yet to be agreed and costings will need to go into the financial model.
137. The disposals programme will continue to need careful management to ensure that any receipt is optimised over time and that maximum resources are released, not only to fund costs for this project, but also more widely to help support the council's capital programme.
138. Additional capital receipts generated by the disposal of the three town halls and other properties identified will be available to provide capital for the new office accommodation.
139. Disposal of the three town halls will enable the £7m proposed in the current capital programme for their development, to be released to support other projects, although the capital implications of this strategy will need to be incorporated into the revised capital programme.
140. Revenue budgets will become available from the proposed office closures, but ongoing revenue costs for the new facility will need to be considered carefully, to ensure running costs can be provided for in the short and long term within available resources.
141. The Finance Director will incorporate all resource implications arising from the agreed programme within the council's medium term resource strategy and financial planning and capital implications within the revised capital programme.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Office Accommodation Programme – Strategy and Business Case, Executive Report, 30/01/07	Corporate Programmes Unit, 160 Tooley Street	Robin Rogers 02075255179
Office Accommodation Programme – Updated Strategy, Property Acquisition and Business Case, Executive Report, 02/05/07	Corporate Programmes Unit, 160 Tooley Street	Robin Rogers 02075255179
Three Town Halls and Residual Estate – Asset Strategy Options – Executive Report, 21/10/08	Corporate Programmes Unit, 160 Tooley Street	Robin Rogers 02075255179

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1 (open)	Revised Office Accommodation Strategy - Programme Principles

**AUDIT TRAIL**

<b>Cabinet Member</b>	Cllr Richard Livingstone Cabinet Member for Finance and Resources	
<b>Lead Officer</b>	Duncan Whitfield, Finance Director	
<b>Report Authors</b>	Robin Rogers, Head of Corporate Programme Unit	
<b>Version</b>	Final	
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<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Portfolio Business Manager, Property Services	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	11 November 2010	

## Appendix 1

### REVISED OFFICE ACCOMMODATION STRATEGY: PRINCIPLES

The revised office accommodation strategy is intended to support the efficient running of the council. By facilitating the transformation of services, it will contribute to the improvement of services for local people through the provision of a modern working environment. This will be achieved by adopting the following principles:

- Maximise the use of 160 Tooley Street by ensuring that any remaining services that do not need to be located locally are transferred to the facility;
- Provide a fit for purpose working environment for all staff and prioritise moving staff from the least satisfactory accommodation first;
- Ensure that council facilities are welcoming and usable for all residents, visitors and staff, conforming to high standards of disability access and customer service;
- Release strategic sites for regeneration schemes;
- Ensure that council presence is felt in all areas of the borough and that council staff and partners are well placed to understand and engage with local people;
- Reduce to a minimum the total number of administrative office sites to:
  - Minimise the revenue costs of managing the residual estate;
  - Generate revenue savings through cost effective ways of working that at least cover any additional costs occupying improved accommodation;
  - Minimise the future investment costs that would otherwise be required to maintain the retained estate and comply with modern standards of accessibility and sustainability;
  - Maximise capital receipts for reinvestment in council priorities
  - Minimise the financial, reputational and human resources risks of operating from old and un-refurbished property;
  - Maximise the opportunity for modern ways of working, including the opportunities for work across departments and with partners in ways that better meet the needs of residents
  - Maximise the council's opportunity to improve environmental sustainability;
- Ensure that the estate is flexible and adaptable to future needs;
- Investigate sharing facilities and accommodation with neighbouring boroughs, integrating with plans for shared services;
- Provide for a limited number of highly accessible shared customer access points for transactional services on an assisted self-service basis to improve the council's ability to consistently deliver customer needs, reduce barriers to access and make doing business with the council easier.

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 23 November 2010	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Elephant and Castle – Provision of a New Leisure facility	
<b>Ward(s) or groups affected:</b>		Cathedrals, Chaucer, East Walworth and Newington	
<b>Cabinet Member:</b>		<ul style="list-style-type: none"> <li>• Councillor Veronica Ward, Culture Leisure Sport and the Olympics</li> <li>• Councillor Fiona Colley, Regeneration and Corporate Strategy</li> <li>• Councillor Richard Livingstone, Finance and Resources</li> </ul>	

**FOREWORD –**

- **COUNCILLOR VERONICA WARD, CABINET MEMBER FOR CULTURE, LEISURE, SPORT AND THE OLYMPICS**
- **COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY**
- **COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE AND RESOURCES**

1. Six months into our administration, we are delighted to be making yet another major step forward for the regeneration of Elephant & Castle by giving the green light for a new swimming pool and leisure centre.
2. The consultation on new leisure facilities at the Elephant & Castle has been a huge success. Over 1,316 responses were received - a 16% response rate compared to an anticipated rate of just 5%! As we expected what people really want is a new swimming pool. The next most popular facilities were a gym, exercise studio and sports hall.
3. Of course, there are limitations on the availability of both funding and space. In large part the new centre will need to be financed by disposing of part of the site for a residential development. The reduced footprint means we must make a choice between the new swimming pool or a double size sports hall. In the light of the consultation results we are recommending that Cabinet progresses with a new 6 lane, 25m swimming pool, a learner pool, a 4 court sports hall, a gym, an exercise studio, a crèche and a cafe.
4. The regeneration of Elephant & Castle is a priority for this administration and we are determined that we will keep up the momentum and deliver the transformation that local residents deserve.

**RECOMMENDATIONS**

**Recommendations for the Cabinet**

5. Cabinet note the outcome of the consultation exercise summarised in paragraphs 23 to 30 (and attached at Appendix 1) that has been carried out throughout September and October.
6. Cabinet note the proposed provisional budget for the Elephant and Castle Leisure Centre as detailed in the closed report and the further work which will be undertaken to assess project costs prior to the submission of a bid for capital programme funding.
7. Cabinet agree the Project Mandate for the redevelopment of the leisure centre site (attached in Appendix 2) and in particular the following key principles:
  - That the new leisure facility include the following core provision: a 6 lane 25m swimming pool, a learner pool, a 4 court sports hall, a gym, an exercise studio, a crèche and a cafe.
8. Cabinet instructs officers to report back the terms on which the adjoining residential plot will be sold at an appropriate time.
9. Cabinet instructs officers to report back, through the second Gateway process, at the appropriate time once all design and technical has been completed to recommend the award of the construction contract.

#### **Recommendations for the Leader of the Council**

10. The Leader delegates to the Cabinet Member for Regeneration and Corporate Strategy approval of the planning application prior to submission.
11. The Leader delegates to the Cabinet Member for Finance and Resources the appointment of the Local Education Partnership (LEP) to construct and deliver the Elephant and Castle Leisure Centre, through the first Gateway process, subject to existing protocols for LEP engagement and demonstrating value for money.

#### **BACKGROUND INFORMATION**

12. At the meeting on the 7 July the Council's Cabinet agreed a report concerning the provision of a new leisure facility at the Elephant and Castle and agreed the following:
  13. The current leisure centre site as the preferred location for new leisure facilities at Elephant and Castle and supported the broad configuration of land uses i.e. residential at the east of the site and leisure at the west.
  14. That the receipt generated from the sale of the residential component at the front of the site is intended to be reinvested to deliver the leisure facility at the rear.
  15. Officers to agree a consultation plan with the Cabinet Member for Regeneration and Corporate Strategy for a short consultation process to establish what leisure facilities local people want to see.

16. For officers to report back by November with the results of the consultation exercise and proposals for a full project mandate for a new leisure facility at the Elephant and Castle. The report will also address potential funding streams, partners, interim arrangements for leisure provision, revenue/capital cost implications and explore delivery options.
17. In early August the Cabinet Member for Regeneration and Corporate Strategy agreed a consultation plan. The consultation took the following form:
18. A questionnaire was sent to all address points within the Elephant and Castle opportunity area and residents were asked to rank in order of importance the facilities [swimming pool, gym, exercise/studios, sports hall, cafe and crèche] for a new leisure centre. Residents were also invited to add any other facility that was important to them. The same questionnaire was also sent to all members of the existing leisure centre and identified stakeholders. In addition the consultation was promoted in the Southwark News.
19. A public exhibition was held on September 14th at the existing leisure centre site. Two proposals for a new leisure centre were displayed as follows and residents and customers were asked to comment on the two options;
20. Option A - A new facility including a 6 lane swimming pool, learner pool, exercise/ studios, gym, crèche and cafe space.
21. Option B - A new facility which included all of the above but with the addition of a four court sports hall.

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

22. The decision by Cabinet in July of this year established that the Elephant and Castle leisure centre site would be the location for a new leisure facility which is a long standing council priority. In addition, the decision agreed a disposition of uses for the site which takes the form of a leisure facility at the rear and a residential element on the part of the site fronting on to Elephant and Castle itself. In order to take forward the proposal and define a project mandate, Cabinet instructed officers to report back on a number of key issues and these matters are addressed in the following sections of the report.

#### **Resident, Customer and Stakeholder Consultation**

23. A full report on the outcome of the consultation undertaken with local residents, customers and stakeholders is attached in Appendix 1. Summary of the key findings arising from the consultation are as follows:
24. For the 8,190 letters and reply cards distributed 1,316 replies were received, 16% in total which is much higher than the 5% originally hoped for, reflecting the importance of this issue amongst local residents.



25. Overall respondents voted for a new swimming pool as the most desired option within the new facility with a crèche receiving the lowest numbers of votes.
26. Existing customers of the leisure centre voted for the swimming pool, gym and sports hall as their top three priorities.
27. Non-users of the leisure centre voted for the swimming pool, gym and exercise/studios as their top three properties.
28. In order of most requested (from all responses received) the most desired options were a new swimming pool followed by gym, exercise/ studios, sports hall, cafe and finally crèche.
29. When asked what 'other' leisure uses they may like to see within the new facility over 50 different suggestions were received. The most frequent request was for squash courts by 52 individuals. Compared to the overall number of replies this represents a 4% response rate which is not significant enough to amend the strategic design brief.
30. The consultation summarised above has been very successful and has generated a particularly high response rate when compared with other similar exercises. The conclusions demonstrate strong support for a new leisure facility that includes both a swimming pool and sports hall. These findings suggest that residents, customers and stakeholders would support Option B.
31. Further design testing has been undertaken to evaluate whether other options such as an 8 court sports hall could be provided within the development. This review has concluded that the spatial requirements of such a facility would have the affect of reducing the residential plot to a non viable size. The importance of retaining a viable residential plot for the funding of the project is highlighted below and therefore it is recommended that the option B facility is taken forward.

### **Capital Costs and Programme Delivery**

32. In the July report to Cabinet officers estimated the capital costs of developing a new leisure facility would be in the region of £20m. In order to test this assumption Southwark's Local Education Partner's '4 Futures' were commissioned to provide an initial cost assessment associated with design, demolition and construction based on the initial designs provided by S&P architects. The conclusions from this initial cost assessment suggest that the preferred Option B could be delivered within this budget envelope subject to full detailed design and technical surveys.
33. Franklin and Andrews [F&A] have been commissioned to examine the Initial Cost Assessment provided by 4 Futures. Further testing will be undertaken up until the end of the financial year 2010 / 11 to ensure an appropriate budget for the project.
34. The budget will be kept under review through the Project Board arrangement described in the Project Mandate.

35. A fixed contract sum will only be known post planning. Officers will therefore report back to Cabinet at the appropriate time once all design and technical work has been completed and final specification agreed with a fixed price for the contract in order to seek authority to proceed to commence construction.

### **Revenue Funding**

36. The project is at a very early stage so it has not been possible to model the business plans for the two different facilities, on which the Council is consulting with any accuracy. Preliminary calculations based on what is currently known, however, suggest that either of the new facilities proposed would have a far greater customer base and greater revenue potential than the current centre. More detailed work will be undertaken on forecasted running costs as the design is progressed and will be reported through the project management arrangements.

### **Delivery Options**

37. There are a number of routes by which the Leisure Facility could be delivered. Options include a full EU tendering exercise as the scheme is in excess of the OJEU requirements. Alternatively the council could consider utilising the Local Education Partnership (LEP), which is a Public Private Partnership, established to deliver the Building School's for the Future (BSF) programme. This partnership has since been branded 4 Futures.
38. The 4 Futures partnership includes design, construction and project management expertise alongside facilities management and ICT.
39. The Strategic Partnering Agreement allows non-BSF works and services to be procured through this partnership without the need for a further OJEU compliant procurement.
40. It is considered at this time that the LEP has the potential to offer an advantageous procurement solution for the design and construction of the leisure centre. The use of the LEP will have programme advantages as a result of not requiring a further OJEU compliant procurement process for design and construction services. It also has advantages of risk transfer and added cost certainty at the point of appointment. This procurement route will be further explored.
41. While there are advantages in using the LEP to deliver the project it is still crucial that their proposals demonstrate value for money as any appointment would preclude a further competitive tender being undertaken. As with the BSF programme independent cost, technical and commercial advice will be sought and retained through the life of the project to ensure that the proposals and the associated costs meet the brief, provide appropriate transfer of risk and offer value for money.
42. The report recommends that the decision to appoint the LEP for the design and delivery of the project to be delegated to the Cabinet Member for Resources subject to demonstrating value for money through the Authority's Gateway process. Cabinet are asked to note that should the

LEP be unable to offer an acceptable value for money proposal then an alternative procurement route will be required and this could extend the timetable for the delivery of the new leisure facility.

### **Interim Leisure Arrangements during Demolition and Construction**

43. Elephant and Castle leisure centre is presently managed by the Council's contractor, Fusion, under a core seven-year agreement to manage a number of leisure centres in the Borough. The contract, which commenced in November 2009 includes provision for variations if the Council requires a centre to be closed for the purposes of redevelopment. The exact form of the variation will be subject to further negotiation depending on when the Council requires vacant possession of the current building. When the project proceeds to a point at which the date of demolition of the current centre is known, officers of the Council will work with Fusion to ensure that the old centre is decommissioned with minimum disruption to customers and minimum cost to the Council.
44. Officers will also work to relocate as many displaced customers as possible to other facilities within the Borough. Customers who have memberships with Fusion will be able to use them at any other Council run centre which they find convenient. Officers will also endeavour to find alternative venues for organisations (schools, clubs etc) on a case-by-case basis. Some may be able to locate part of their programme to Geraldine Mary Harmsworth Sports Centre and we will work with other providers in the area to see what else is available. A great deal of the rationale behind provision of a new centre is that there are few alternative venues in the area so it will, unfortunately, not be possible to accommodate everyone whilst the new centre is being built.
45. As the leisure centre has not operated at full capacity Fusion have allowed alternative uses of the sports hall to generate income. In particular Comunidad Cristiana de Londres (CCL), a Latin-American Church, are using it on Sunday for services. The council will seek to assist the group to move to suitable alternative premises. This type of activity will not be appropriate in the new facility as clearly the priority will be leisure use by Southwark residents.

### **Alternative Funding Streams and Delivery Partners**

46. Discussions have taken place with the two tertiary education providers, London College of Communication and London South Bank University, regarding partnership working. Officers have concluded that there are no alternative funding sources that can be programmed with certainty to deliver within the required timetable. However, the LEP will endeavour to seek section 106 contributions from the Elephant and Castle Opportunity Area for the leisure facility where possible.
47. Funding of the scheme must, therefore, come from the council's capital programme which largely relies on receipts from land sales. As a consequence, it is considered of great importance that a viable residential plot is retained within the overall site which will be crucial in generating a capital receipt to contribute towards the costs of the leisure facility. The

strategy for this is discussed in more detail below and in the Closed Report.

### **Potential Disposal Proceeds**

48. From a development perspective the residential plot is very attractive for prospective purchasers because of its excellent transport links. The completion of the landmark Strata building and its success in property sale terms will give prospective developers confidence for the development of this site. In addition, the recent landmark agreement to enter a Regeneration Agreement with Lend Lease for the regeneration of the Heygate estate and shopping centre is also a significant indicating factor of the strength of investment and future potential for growth in the area.
49. Although the market is generally dormant at present in the light of the current economic uncertainty, a buoyant micro-market exists at this location. The opportunity to purchase and develop the subject site is likely to stimulate a lot of developer interest and give rise to a substantial capital receipt.
50. Development of the identified residential plot will however have to address some planning challenges most notably its close proximity to a very busy highway intersection and a listed building (the Metropolitan Tabernacle). In addition the site is situated in the back drop zone to the Serpentine Bridge strategic viewing corridor. This will have implications for the height of the building on the site.
51. It is intended that a hybrid planning application be made that will have two components; an outline element for the residential component and a detailed application for the leisure component. The provision of a new leisure facility at the Elephant and Castle is a long standing planning objective in both the Southwark Plan and Core Strategy. The planning strategy for the development will therefore be to demonstrate that the residential element is an “enabling development” in that it is generating capital to allow a leisure centre to be constructed and that therefore the requirement to provide social housing is not viable in this instance due to the planning benefit gained from this approach.
52. The Head of Property has carried out an initial valuation of the residential plot and this together with the disposal strategy are set out in the Closed Report.

### **Project Mandate for Redevelopment of Leisure Centre Site**

53. Information drawn from the above work streams has been used to establish a project mandate for the redevelopment of the leisure centre site and the full version of this which Cabinet are asked to endorse is attached as appendix two. The mandate addresses both the leisure and residential elements of the site and establishes a framework for the future management of the project. The mandate sets out the parameters for the following;
  - Strategic Leisure Brief

- Leisure Facility Budget and Cash Flow
- Programme
- Governance and Project Management
- Planning strategy

### **Policy implications**

#### **Southwark Council Corporate Plan 2009 – 2011**

54. The proposal for the leisure centre meets the Corporate Plan's aims to promote healthy and independent living throughout Southwark. The plan identifies regeneration projects as a way to 'build strong communities that promote connected, healthy and active lives'. The plan also states that at the Elephant & Castle there will be refurbished or new leisure facilities.

#### **Sport and Leisure Perspective**

55. The plan to provide a new leisure facility, particularly at the Elephant & Castle site accords well with the seven themes from Southwark's Sport and Physical Activity Strategy, which was agreed in 2009. The themes are quite self-explanatory and are listed below:

- Using physical activity for both the prevention and management of ill health.
- Maximizing the use of planning policy in providing for sport and physical activity.
- Providing a network of appropriate places and spaces for sport and physical activity.
- Improving access and choice for the whole population.
- Building and maintaining an effective multi-agency delivery system for sport and physical activity.
- Maximizing the use of London 2012 to promote physical activity.
- Maximizing the impact of all resources.

#### **Core Strategy/Southwark Plan**

56. Through the core strategy adoption process the Elephant and Castle leisure centre site will form part of the Elephant and Castle Core Area [currently referred to as site 39P in the Southwark plan]. The Southwark plan identifies a specific need for a leisure centre within this site and this requirement will be retained as part of the Core Strategy. Residential development is generally an acceptable use throughout the core site. A mixed development comprising a new leisure centre and residential would therefore be acceptable in principle on the leisure centre site which is recommended as the preferred location for the facility.

### **Community impact statement**

57. The current leisure offer at the Elephant and Castle is restricted to a sports hall and gym. The swimming pool has been closed for over twelve years and this reduces the existing community's access to leisure facilities which is one of the council's themes in its Sport and Physical Activity Strategy referred to in the policy section of the report. Potentially, this impacts on the health and well being of individuals within the community and the need to improve leisure facilities has, therefore, been recognised in various council strategies which are referred to in this report.

58. The development of a new facility including a swimming pool has the potential for significant community benefits including; increasing leisure choice and activity leading to improved health outcomes including addressing the key challenges presented by obesity.

### **Resource implications**

59. These matters are addressed in the closed report.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

60. Section 2 of the Local Government Act 2000 gives a local authority wide powers to do “anything which they consider is likely to achieve any one or more of the following objects:
- a) the promotion or improvement of the economic well-being of their area,
  - b) the promotion or improvement of the social well-being of their area, and
  - c) the promotion or improvement of the environmental well-being of their area.”

The provision of a new leisure centre is likely to qualify on most if not all of those objects.

61. It should be noted that the existing leisure centre is currently let to Fusion on a lease expiring on 29 October 2016. There are no provisions in the lease enabling it to be terminated early (except where the Management Agreement with Fusion is terminated, in which case the lease will be terminated automatically) so if the current lease needs to be brought to an end prior to its expiry date this will need to be by agreement with Fusion.
62. The report notes that the disposal of part of the current site for residential use will be the subject of a further report to Cabinet at the appropriate time. Further legal advice relating to the disposal will be given at that time.
63. The Leader is asked to delegate the gateway 1 (procurement strategy) decision to appoint the LEP to construct and deliver the leisure centre, subject to the existing LEP protocols being operated, and value for money demonstrated. Section 14 of the Local Government Act 2000 (as amended) permits the Leader to delegate this function to a member of the Cabinet. As noted in paragraphs 37 and 39, the council can consider use of the LEP to procure these works, as the procurement of the LEP and the agreement entered into with it, envisaged that works and services outside of the BSF programme could be delivered. The OJEU notice for the LEP procurement specifically referred to other facilities that might be provided by the council in the exercise of its Section 2 powers, including the provision of leisure facilities. Further legal advice relating to the procurement and award of this contract will be given during the procurement process.

### Finance Director

64. The financial implications are contained within the body of the closed report along with full Finance Director comments. The capital costs identified will be the subject of a capital bid as part of the Capital refresh programme to be considered by Cabinet in 2011. The Finance Director acknowledges that the strategy of a hybrid planning application will gain an enhanced capital receipt for the Corporate Resource pool.

### Strategic Director of Environment & Housing

65. Paragraph 36 sets out the issues associated with modelling a business plan for the two centres under consideration at this early stage.
66. Paragraphs 43 deals with how the decommissioning of the current centre will be managed and Paragraph 44 suggests how customers displaced by closure of the current centre might be accommodated whilst the new centre is being built.

### Head of Planning

67. Officers have been in early discussions and have identified a number of constraints that would inform future development of the site. The case for a residential development on the site without affordable housing would have to be justified as there is a policy requirement for 35%. A constraint on residential use on the site frontage exists in relation to air quality and noise. An outline proposal adjacent to the listed Tabernacle building will require a detailed heritage statement.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Plan, Southwark's Sport and Physical Activity Strategy 2009, Core Strategy, Corporate Plan 2009-11	Jon Abbott, Director of Elephant & Castle project team	020 7525 4902

### APPENDICES

No.	Title
1	Elephant and Castle Leisure Centre Public Consultation Report
2	Elephant and Castle Leisure Centre 4Futures Project Mandate

## AUDIT TRAIL

<b>Cabinet Member</b>	<ul style="list-style-type: none"> <li>• Councillor Veronica Ward, Culture Leisure Sport and the Olympics</li> <li>• Councillor Fiona Colley, Regeneration and Corporate Strategy</li> <li>• Councillor Richard Livingstone, Finance and Resources</li> </ul>	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Author</b>	Jon Abbott, Elephant & Castle Project Director Steve Platts, Head of Property	
<b>Version</b>	Final	
<b>Dated</b>	12 November 2010	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director – Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Director of Environment and Housing	Yes	Yes
<b>Cabinet Members</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	12 November 2010	



APPENDIX 1



# Elephant and Castle leisure centre Public Consultation Report

14 October 2010



Elephant and Castle Regeneration  
London Borough of Southwark  
PO Box 64529  
London SE1P 5LX

[www.southwark.gov.uk/elephantleisure](http://www.southwark.gov.uk/elephantleisure)

## Contents

*(Select the hyperlink below to go directly to the section in the document – control and click)*

<a href="#"><u>1. Introduction</u></a>	Page 3
<a href="#"><u>2. The Consultation Purpose</u></a>	Page 3
<a href="#"><u>3. The Consultation Results</u></a>	Pages 4 to 6
<a href="#"><u>4. Other Suggestions Made</u></a>	Pages 7 to 9
<a href="#"><u>5. Stakeholder Groups with specific comments</u></a>	Pages 10 to 12
<a href="#"><u>6. Campaign activity</u></a>	Page 13
<a href="#"><u>7. Do you want to become an 'Interested Party'?</u></a>	Page 14
<a href="#"><u>8. What happens next?</u></a>	Page 14

## 1. Introduction

The Elephant and Castle leisure centre was built in the late 1960s, and since 2000 has been managed by Fusion. At its peak the centre enjoyed over 232,000 visitors in 2008, and in 2009 the number of visitors was 173,691. The centre is located at 22 Elephant and Castle, SE1 6SQ.

On 7 July 2010 the council agreed to enter into a regeneration agreement with Lend Lease, paving the way for a historic £1.5 billion regeneration of the Elephant and Castle. The council also agreed to explore the options for providing a new leisure facility at Elephant and Castle which, should the facility go ahead will be paid for by the council.

One of the primary funding sources for leisure facilities is anticipated to be payments made under the regeneration agreement with Lend Lease. Both the redevelopment of the Heygate Estate and the existing leisure facility will contribute to the council achieving its vision for the Elephant and Castle. Unlike with the demolition and redevelopment of the Heygate, through which the council will work in partnership with its development partner Lend Lease, this leisure facility project will be led and delivered by the council independently.

Once it is confirmed that this new leisure facility project will commence a detailed programme of planning and construction will be confirmed. Currently though it is hoped that construction is planned to commence on this project early in 2012 and is likely to last approximately 18 months. These dates are subject to planning permission being granted.

## 2. The Consultation Purpose

On 23 August 2010 the Council began a seven-week consultation period with 7324 residents in the catchment area, defined by the Elephant and Castle opportunity area, and 866 Fusion customers with membership by posting a letter and business reply card.

A stakeholder database was created and included; MPs, Ward Councillors, Children's Services and Youth Groups, Schools, local University and College, Libraries, Southwark Pro-Active, Sports organisations, ex-Heygate residents (those that had opted to return to the area), Southwark internal management and communication teams, Local residential groups, Fusion and 57 existing block-booking contacts. Two Community Council meetings were also attended.

The purpose of letter, reply card and online form was to involve residents, customers and stakeholders and ask them what might encourage them to use the centre, either for the first time, or on a more regular basis. We wanted to know what type of additional services they would want in **their** leisure centre. We gave them these options and an 'other' box to make their own suggestions in the following format:

*As a matter of importance to you, please number from 1 to 5 from the selection of services and facilities below: (1 being not important and 5 being most important)*

- Gym
- Exercise/studios
- Other
- Swimming pool
- Sports Hall
- Crèche
- Café

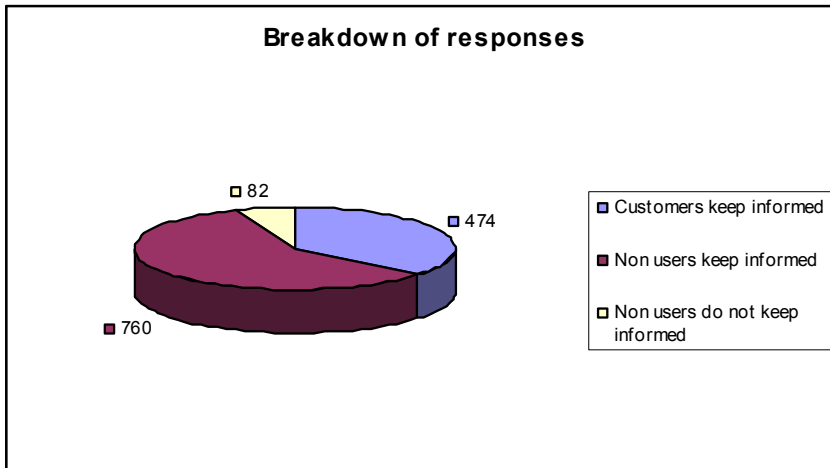
When the consultation closed on 8 October we had received over 1300 responses which is very pleasing and provides a strong foundation on which to continue involving local people in the developments of the leisure centre going forward. The return rate for this equates to 16% whereas the average for the similar exercises are between 2% and 5%.

### 3. The Consultation Results

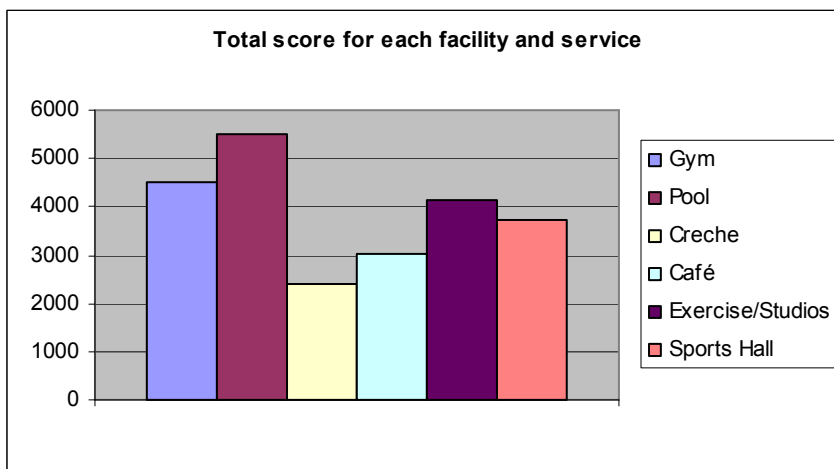
The **8190** letters and reply cards Southwark Council sent out resulted in **1316** replies from the business reply cards and online, a response rate of **16%**. The following pages are broken down into three categories; total numbers, by customer and by non customer responses.

#### a) Category defined by total number of responses - 1316

**Table 1 – Total number of responses and breakdown of customers and non-users**



**Table 2 – Total score for each facility and service**

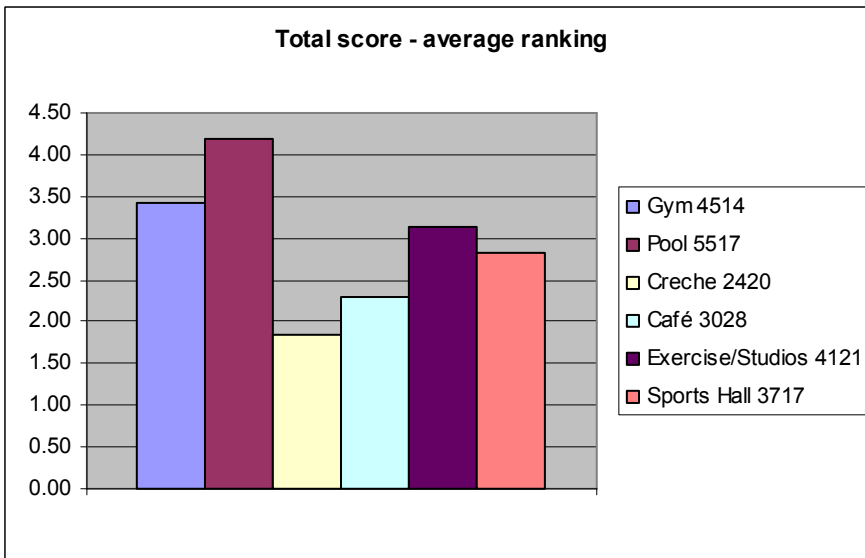


#### Total score in order of highest number for each facility and service

- Swimming pool      5517
- Gym                    4514
- Exercise/studios    4121
- Sports Hall            3717
- Café                    3028
- Crèche                  2420

**b) Category defined by total score – average ranking facility and service**

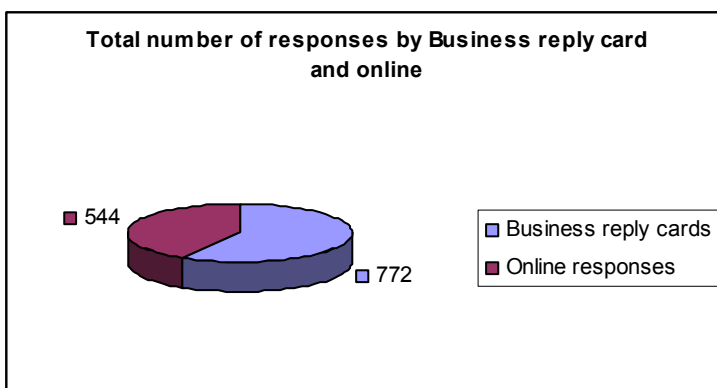
**Table 3** shows the average score importance rating for each of the services and facilities from the total number of votes **1316**, e.g. the average importance rating for Swimming pool and Sports Hall is **4.19** and **2.82** respectively. This indicates that a majority of respondents regard these as important on the scale of 1 to 5, where 5 is most important and 1 is least important.



**In order of most requested**

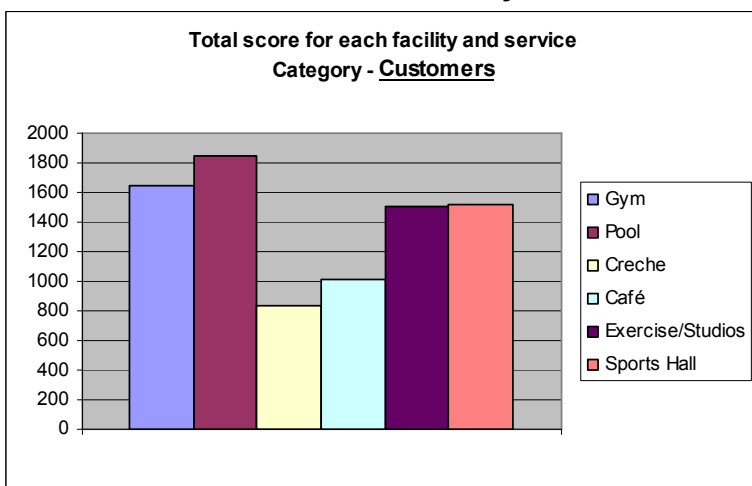
- **Swimming pool**      **4.19**
- **Gym**                      **3.43**
- **Exercise/studios**      **3.13**
- **Sports Hall**              **2.82**
- **Café**                      **2.30**
- **Crèche**                    **1.84**

**Table 4** shows of the 1316 number of responses which were received by Business reply card and online



**c) Category defined by customers that requested to be kept informed – 474 responses**  
*(The number of responses includes members and centre users)*

**Table 5 – Total score for each facility and service**



**Total score in order of highest number for each facility and service**

- Swimming pool 1852
- Gym 1651
- Sports Hall 1513\*
- Exercise/studios 1504
- Café 1012
- Crèche 840

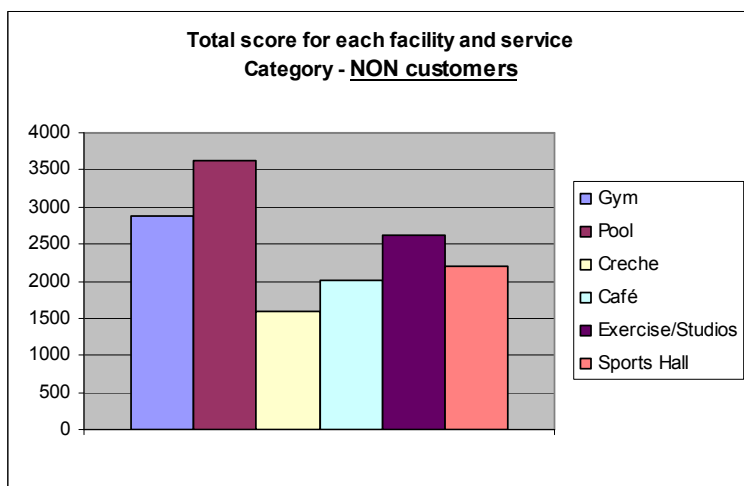
\* Compared to the overall scores existing centre customers prioritised a sports hall over exercise/studios option.

The two highest 'other' suggestions were

- Squash with 41 individual requests
- Sauna/steam room with 14 individual requests

**c) Category defined by non-users that requested to be kept informed and those not willing to be kept informed – 842 responses**

**Table 6 – Total score for each facility and service**



**Total score in order of highest number for each facility and service**

- Swimming pool 3625
- Gym 2879
- Exercise/studios 2627\*
- Sports Hall 2209
- Café 2017
- Crèche 1581

\* Compared to the overall scores NON users prioritised exercise/studios over a sports hall option.

The two highest 'other' suggestions were

- Sauna/steam room with 29 individual requests
- Squash with 11 individual requests

## 4. Other suggestions made

We also asked for any other ideas or suggestions that people had for the leisure facility and services that people might want included. The two most popular suggestions were Squash courts requested by 52 individuals, and Sauna/Steam rooms requested by 43 individuals.

See below a variety of ideas put forward by 500 of the 1316 respondents;

33 and 50 metre swimming pools • Adventure playground • Archery • Badminton • BMX Cycle track • Cinema/Theatre • Children's Sports Club • Chlorine free hypo-allergic pool water • Climbing Wall • Contemporary Art Gallery • Courses for kids • Disabled facilities/access/parking • Event hire space • Fun pool/paddling pool • Gardens, plants, trees • Gymnastics/dance classes • Healthy Café • Hot Yoga room • Ice rink • Indoor playground • Information and emergency desk • Internet room free to OAPs • Library/reference facilities • Line dancing • Massage/spa • Meeting/events hall/arena • Netball court • New, NOT second hand gym equipment • Outdoor floodlit/ all purpose/ all season football pitch • Outdoor covered café on a flat roof • Outdoor pool • Outdoor space for eating/relaxing/café • Paint balling • Physiotherapist (NHS) • Proper shops e.g. Next, Marks & Spencer etc., • Psychedelic art installation • Rooms for reflexology • Reiki, massage & meditation • Plunge pool • School holiday activities • Secure storage for buggies, bikes and scooters • Social club • Space for children and families to grow and cook vegetables together • Special fee for people over 65 years old • Spectator seating • Spinning/Aero biking studio • Suitability for cardiac rehab • Table tennis • Tennis courts • Toilets outside • Treatment rooms • Turkish Bath • Wi-Fi access and an informative notice board • Women only swimming day.

Should the proposed leisure facility go ahead, the council's responses to the above suggestions and other comments received are set out below

- **Access and Parking**

The redevelopment will result in a centre that is fully compliant with the Disabilities Discrimination Act ([DDA](#)). There will be cycle parking and car parking for people with disabilities. The entrance lobby and wide corridors will also make visiting the centre a great deal easier for people with pushchairs.

- **Café**

Serious consideration is now being given to providing a café at the heart of the building, which will allow users to relax and wind down after their sessions and other visitors to take a break while friends or family are participating in activities. A good-quality café will also encourage new users who may initially come in just for a coffee but be persuaded by the new facilities to become regular visitors for physical activities.

- **Changing rooms**

The changing rooms will be up to the standards one might expect from a quality 21st Century leisure centre. In addition to male/female changing rooms there are planned larger cubicles for family changing and for people with disabilities.

- **Children and Crèche**

The council aim to encourage children to exercise from the earliest age and the facility will provide the required facilities and opportunities for this to take place. In the proposed leisure facility there is provision for a learner/hydrotherapy pool. We are also looking at the provision of a crèche with extended hours so that parents and carers of younger children can take part in activities, knowing that their children are safe and usefully engaged.

- **Classes**

The Elephant and Castle Leisure Centre already provides: Yoga, Pilates, Step Aerobics, Legs, Bums and Tums, Total Body Circuit, Personal Training, Indoor Basket Ball, Indoor Volley Ball, Racket Ball, Badminton, Squash, and women/men only sessions, with other dance classes include: Bollywood and Bhangra, and Line dancing. It is hoped that these can all be continue to be

accommodated in the new leisure facility and new ideas put forward in the consultation will also be considered.

- **Disability Discrimination Act (to review [DDA](#) guidelines)**

As previously stated, the refurbished Centre will comply with DDA regulations. The aim is to create a facility which is much better suited to people with disabilities and other special needs in terms not only of building design and equipment but also of services on offer and staff training. We are working closely with the organisations Interactive (Disability equality in sports) and the Southwark Disablement Association to meet with their observations and suggestions.

- **Green issues**

Energy efficiency and long-term sustainability are key issues in designing the Centre. The new facility will be required to comply with existing planning policy concerning this through the use of both proven and innovative approaches including the proposed Multi Utility Service Company (MUSCo) that will service the wider Elephant and Castle regeneration area.

- **Membership types and cost**

We have been asked all sorts of questions about membership combinations, all of which are being considered in planning for new services to be delivered within the redeveloped building. The aim is to keep prices affordable in the future so that as many people as possible are able to use the centre.

The centre already provides a 'Pay-as-you-go' service whereby customers do not have to be members to use the facilities. Members and non-members can also book onto classes via the internet and on arrival swipe their membership card and go straight to the class. Members can also book a week in advance at reception to attend classes thereby speeding up the process when they arrive at the centre.

- **Opening / Closing times**

The opening and closing hours at the Elephant and Castle Leisure Centre is from 7am to 10pm Monday to Friday and 9am to 5pm Saturday and Sunday. Some respondents have requested earlier opening times to use the centre before they go to work. Extended opening hours will be considered for the new facility.

- **Outdoor sports facilities**

Unfortunately the footprint of land proposed for the leisure facility does not permit space for outdoor floodlit, all purpose, all season football pitch as requested by a number of respondents. Less than half a mile away from the centre in the same grounds as the Imperial War Museum, is the Geraldine Mary Harmsworth (GMH) sports facility which opened in 2009 with part-funding from the Big Lottery Fund. The GMH offers school holiday facilities, Short Tennis (ages 4 to 10 years), Outdoor 5-a-side football, Outdoor Basketball, Outdoor Netball and Outdoor Tennis. Members of the existing Elephant and Castle leisure centre are allowed to use these facilities at present and will be encouraged to use them during the period of closure required for construction of the new facility.

- **Pool**

After receiving the highest level of support through the questionnaires that were returned it is obvious that new pool facilities is something that is important to the local community at the Elephant and Castle. Respondents also requested a hydrotherapy, a children's learning pool and showers for pre-swim these have all been considered within the existing architectural drawings, however the requests for a larger 50 metre pool will be unfeasible due to the available footprint for this development.

- **Sauna and Steam room**

As with all new leisure centres being built, a sauna and steam room is high on people's priority list. Although not in the conceptual diagrams this request will be put forward as an option in the redesign of the facility.



- **Security**

Security of equipment and personal belongings is also a priority for respondents. The proposed redesign of the centre will take these issues fully into account and design proposals will be required to demonstrate how crime and individual security has been considered.

- **Senior Citizens**

Ensuring that there are opportunities for older people to participate in activity is crucial in providing a leisure facility that is inclusive for all. Comments received through the consultation event will be further considered at the appropriate stage.

- **Services**

This section was designed to capture miscellaneous ideas that could not easily be accommodated under a specific category both for services as they currently are and for the future. Lots of good ideas were put forward for the centre; a more efficient booking and ticketing system; qualified trainers; air-conditioning; a monitored telephone answering service; better signage; more staff in the gym to help and advise; cycle parking; wall mirrors for weight training; lockers with key pins and locker numbers; energy efficient environment; solar panels to heat water; drinking water in coolers; more staff generally; family lockers and a secure area for pushchairs. We aim to address most of the current issues you have raised immediately with the operators of the existing leisure facility.

While the centre is being redeveloped members will have to use other local centres. All those respondents, that requested to be kept informed, will be updated with the progress of the redevelopment programme so that you remain an essential element of the process throughout the rebuild.

- **Youth Opportunities**

At the request of the respondents, activities for people between the ages of 14 to 18 years are being considered.

## 5. Stakeholder groups with specific comments

During 23 August and 8 October a wide number of stakeholder organisations and individuals were consulted.

We had one petition delivered by Giles Semper, Deputy CEO of Better Bankside on 17 September with 200 signatures from the parents of Crampton School, SE17 3LE. The signatures came with this message *'We the undersigned, believe that a large, good quality swimming pool is an essential ingredient of the new leisure centre proposed for the Elephant and Castle.'*

Individuals from these groups were first sent an email encouraging them to take part in the consultation either via the business reply card or on online.

### Educational establishments – age groups from 5 to 25

The head teachers at these ten schools within the Elephant and Castle Opportunity Area were notified of the public consultation and invited to the evening meeting:

- Charlotte Sharman Primary School, SE11 4SN
- Crampton Primary School, SE17 3LE (See above for response from the school parents)
- English Martyrs Roman Catholic School, SE17 1QD
- Globe Academy, SE1 6AG
- Notre Dame Roman Catholic Girls School, SE1 6EX
- Robert Browning School, SE17 1DQ
- St George's Cathedral Catholic Primary School, SE5 7TF
- St John's Walworth, CoE Primary School, SE17 1NQ
- St Jude's Church of England Primary School, SE1 6HA
- Victory School, SE17 1PT

South Bank University and London College of Communication students were given the opportunity to take part in the consultation as we arranged for an A1-sized panel with options A and B to be delivered and remain on site in their café areas for seven working days.

### Youth Groups – aged between 8 to 18 years)

These groups were targeted through 100+ Community Club leaders. These leaders were notified of the consultation and asked to discuss the proposition with their students. Management within Children's Services were also contacted.

### Sports and other organisations

Directors, Head of Department and Managers of these organisations were notified of the public consultation and meeting:

- Southwark PRO-ACTIVE Strategic Steering Group (SPASSGp) including representation from:  
South Bank University, Sports Action Zone, Harris Girls Academy, Bacons College,  
NHS Southwark, Community Action Southwark, Interactive\*.

\* During early October specific meetings were held with stakeholder representatives to see the two options and provide feedback to the consultation. Some of the above organisations attended and others in addition were:

- Interactive (Disability equalities in sport), Southwark Disablement Association, Sport England, London Swimming Association

The British Paralympic Association was kept informed as well as other Southwark Council key departments including;

- Head of Youth, Partnership Development, Strategy Development, Play Service, Leadership and Learning, Extended Services, Children's Services, Parks and Open Spaces, Healthy Southwark and Head of Leisure.

### **Southwark Council**

Members of Parliament, the Mayor's Office, Cabinet Members, Ward Councillors for Cathedrals, Chaucer, Newington, East Walworth, Bishops and Princes, Senior Management Team, Project teams for Investing in Leisure and Regeneration, Children's Services, Corporate and Strategic communications, Libraries and Council offices were provided with business reply cards and kept informed.

### **Fusion**

The senior management and centre teams at Fusion were kept informed throughout.

### **Block bookings at Elephant and Castle**

The lead contacts for 57 block bookings were encouraged to take part in the consultation and attend the public meeting.

### **External Partners and Statutory Bodies**

Three stakeholder representatives provided direct responses after reviewing the two proposed conceptual diagrams;

### **Sport England – Conal Stewart, Planning Manager**

In general Sport England would wish to see the development of a new leisure centre based on the plans provided in **Option A** - with sports halls. We clarify this preference with further comment:-

#### **Need for Sports Halls**

It is important that a replacement sports hall is provided on the site. Sport England has, in collaboration with the Greater London Authority, completed a *Facilities Planning Model* run for sports halls needs across the capital. North Southwark is in an area of substantial unmet demand for sports halls and can ill-afford to lose any single sports hall. The model was also run for 2021 assuming all current commitments are built and the population growth in line with GLA forecasts. The need for sports halls is further exacerbated in the area. I have taken the opportunity to provide some documentation (in attachments) illustrating the sports halls issues relating to the London FPM and specifically the central sub-region to which Southwark belongs.

It would be quite a concern that the current users of the Sports Hall would be significantly displaced should they lose the sports hall entirely. It is very clear that six court sports hall provides much greater flexibility of use over a standard four court hall. The six court hall allows for several different types of sport to be played simultaneously on different configurations, and certainly allows for more advanced levels of competition.

There are also the financial benefits of sports halls to consider. The leisure centre could risk losing significant revenues from renting out the sports hall to groups as sports halls are substantially more lucrative in terms of rental value to clubs and private sports groups than swimming pools. The sports halls should be seen as an opportunity to help pay running costs of the pool facilities at the site.

Costs differences for building a six court hall in contrast to building a four court hall are small. IN summary, we would advise the council to look at all possibilities for trying to retain the six court hall on the site

## **Swimming Pool**

It is very clear that there is substantial local support for pools and there is some evidence that a swimming pool in the northern area of the borough would be needed in advance of 2021. As you will see from the aggregate unmet demand (AUD) maps I have provided to you for Central London; whilst most of Central London is actually well furnished with pools, there is an area of south central London where AUD is higher and of course this would back the community consultation identifying community demand for a 25 m pool.

## **General Comments**

The new leisure centre is to be built on a smaller footprint releasing land for development of a 14 storey building. It would seem a lost opportunity not to look at the potential for putting a third floor on half the building to save on space on the hall and pool floors. The council could look at the opportunity for providing a roof terrace and café and thereby save space on lower levels to provide the six court hall, swimming pools and generous changing space.

The option A provided at consultation does allow some scope for a little reconfiguration of the internal layout and does seem to suggest that space saving could be made to maximise the useable sport and leisure assets of the building.

## **PRO-ACTIVE Central London – Angus Robertson, Director**

PRO-ACTIVE Central London is the strategic sport & physical activity partnership for the 7 Central London boroughs including Southwark. The Greater London Authority and Sport England have recently completed an analysis of sports facilities across London measuring provision and projected population/demand. This shows that in Central London, including the Elephant & Castle area, there is a significant deficit of both sports halls and swimming pools. This would support the provision of both a swimming pool and a sports hall a re-developed Elephant & Castle Leisure Centre.

In terms of the sports hall provision my view is that it would be a retrograde step if the current six badminton court sized sports hall is reduced to only a four court sized hall as proposed. Not only would current users be restricted by the availability of courts/space thus potentially reducing their activity but also it would lose one of the few larger sports halls in Central London.

Of the seventy-nine main sports halls in the Central London area only ten are of five courts size or larger, the vast majority being the four court hall size now proposed for E&C. Larger sports halls not only provide opportunities for a greater number of users and activities but also enable a much greater range of uses for sports and other community events e.g. basketball matches, school sports events, receptions, concerts, exhibitions etc. I would have thought this flexibility of use would be a desirable feature for a re-developed centre as well as giving a significantly greater scope for income generation.

It is not clear from the outline designs presented whether every option has been explored to maintain a larger sports hall. It seemed to me that a lot of space is currently allocated to plant etc which could be freed up for a larger sports hall. I would suggest that there is both a significant need and benefit to explore an option that could accommodate a six court sized sports hall as well as a swimming pool at a redeveloped Elephant & Castle Leisure Centre.

## **London Swimming Association – Colin Brown, Director**

I would strongly support the development of a swimming pool in the Elephant Castle area and this is reflected in 'A Strategy to Get London Swimming 2008-2012+' which is our London version of our national whole sport plan – endorsed by both Sport England and the GLA.

I would recommend that moving floors are included in both pools if possible as this will increase the flexibility of use and revenue potential.

## 6. Campaign activity

### **Southwark News wrap**

On Thursday 9 September Elephant and Castle regeneration sponsored a wrap on the outside cover of Southwark News (circulation 9000) informing readers of the consultation details and advising of the public consultation event on 14 September.

### **Additional contact**

On Wednesday 8 September the 524 respondents that had replied online and stakeholder database were prompted to attend the public consultation meeting.

### **Public Consultation – 14 September 2010**

Over 100 people attended the public consultation between 6pm to 8pm on a very rainy Tuesday evening. On display were two conceptual diagrams – option A and option B. The difference between the two schemes being the larger facility option A included a swimming pool and 4 court sports hall, with a smaller footprint for residential development, and option B was a smaller facility without a sports hall and a larger footprint for residential development.

The purpose for two options was to explore what is achievable within the budget and the consultation is to determine the genuine demand for a sports hall and swimming pool.

### **South Bank Employers Forum – 30 September 2010**

Two representatives from the Elephant and Castle leisure centre consultation project attended this meeting with the two conceptual design options, business reply cards and frequently asked questions to discuss with the attendees.

### **Borough and Bankside Community Council meeting – 5 October 2010**

Two representatives from the Elephant and Castle leisure centre consultation project attended this meeting with the two conceptual design options, business reply cards and frequently asked questions to discuss with the attendees. The meeting was held at Charles Dickens School and had over 100 attendees.

### **Walworth Community Council meeting – 6 October 2010**

Two representatives from the Elephant and Castle leisure centre consultation project attended this meeting with the two conceptual design options, business reply cards and frequently asked questions to discuss with the attendees. The meeting was held at the Walworth Academy and had over 90 attendees.

## 7. Do you want to become an 'Interested Party'?

Of the **1316** respondents, **858** people indicated that they wanted to be kept informed via email and a further **334** that updates to be posted to them when they become available.

Even though the initial consultation has passed, the Council still wants to hear from all residents and customer if they have an opinion to voice or if they want to be kept informed.

To register your interest in this project please visit the Southwark Council web site at [www.southwark.gov.uk/elephantleisure](http://www.southwark.gov.uk/elephantleisure) – the form takes approximately one minute to complete.

Details will be posted on the web site as more information becomes available on further consultation, notice of key dates and special events as part of the redevelopment programme, however if you register your interest then we will notify you directly via your chosen method of communication – post or email.

## 8. What happens next?

The results of this consultation report will be read by the Cabinet members in November 2010, and a decision will be announced on the forward plans for the redevelopment of the leisure facility. It is anticipated that further design work will commence early 2011 with further consultation exercised carried out prior to a formal planning application being submitted.

It is our aim for everyone in Southwark to have great leisure facilities and we want to make sure we provide the facilities local people want to use. The excellent response rate of over 1300 replies to this consultation is a strong foundation on which to continue involving local people in the future about the redevelopment.

If you hold a Fusion 'Lifestyle' membership you can use any of the Fusion centres in Southwark

- [Dulwich Leisure Centre](#) – pool re-opened in September 2010  
2B Crystal Palace Road, SE22 5HB – Tel: 020 8693 1833
- [Geraldine Mary Harmsworth Sports Facility](#)  
St Georges Road, SE1 6ER – Tel: 020 7735 3294
- [Peckham Pulse Healthy Living Centre](#)  
10 Melon Road, SE15 5QN – Tel: 020 7525 4999
- [Seven Islands Leisure Centre](#)  
Lower Road, Rotherhithe, SE16 2TU – Tel: 020 7237 3296

To see a list of opening times and all leisure centres in Southwark visit: [www.fusion-lifestyle.com](http://www.fusion-lifestyle.com)

### Consultation and analysis report prepared by

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End of document





- The layout of the building will be designed to ensure the main entrance is orientated towards the Elephant & Castle.
- The new leisure facility will be car free except for disabled parking provision required to meet Southwark Plan requirements. The facility will also be required to be fully DDA compliant.
- The massing of the proposed building will be guided by its relationship to the existing residential properties in particular on Brook Drive and sunlight / daylight impacts will be tested through the next stage of the design process prior to the submission of a planning application.
- The external appearance of the building will be required to be compatible to its surroundings whilst remaining functional and sustainable.
- The new facility will be required to comply with London and Southwark Plan sustainability requirements and relevant building control standards. This might be achieved via the MUSCo if those proposals are agreed by the council or if not an alternative plan will be developed as part of the planning submission.

## 2. Leisure facility budget and cash flow

A Capital bid of £20m has been made and the provision of this facility will be managed within that total. This comprises of £19m construction costs and £1m project contingency. Based on the draft programme current estimated cash flow is as follows:

- 2010/11 £0.2m
- 2011/12 £1m
- 2012/13 £11.8m
- 2013/14 £6.5m
- 2014/15 £0.5m

A pre-planning budget will be required to progress design work and survey work up to the point of submission of a planning application and this will be reported as part of the capital programme bid. At this stage a report will be provided to the Project Executive, Cabinet Member for Culture Leisure Sport and the Olympics and the



Cabinet Member for Regeneration and Corporate Strategy detailing a review of the project budget.

Running costs; Whilst some very preliminary work has been done on this issue a detailed business plan will need to be formed as the design for the facility is evolved in more detail and reported as part of the budget reviews.

### 3. Programme

Leisure Centre Site Programme Monitoring

The currently anticipated programme for reporting on project progress is as set out below and updates and progress will be reported regularly via the project board.

November 2010 – March 2011	Further surveys, budget testing and finalising design briefs Capital Programme bid [date to be confirmed].
November 2010 – March 2011	Procurement Gateway 1
Autumn 2011	Budget update reported to key Executive members prior to submission of planning application
To be confirmed	Cabinet report to agree fixed contract sum for new leisure facility
Spring 2012	Report to Cabinet

### 4. Governance and Project Management

Governance

A clear and defined management structure is essential for the successful management of a large and complex capital project of this nature. A summary of the proposed project arrangements are set out below.

Project Board

A Project Board will be established at the outset and will meet at regular intervals. The Board will be responsible for the following:

- Sign-off design stages
- Consultation and communication for the project
- Monitor Budget
- Monitor Programme
- Monitor Risks
- Change Control

The Board will have the final sign off of strategic documents relating to project delivery, procurement and budget. The Board will consist of a:

- Project Executive – the lead officer with overall accountability for the delivery of the project. In addition the project executive will be responsible for regular reporting on progress to the Cabinet Member for Culture Leisure Sport and the Olympics and the Cabinet Member for Regeneration and Corporate Strategy.
- Senior User – the lead Client representative, in this case the Head of Health and Well Being. The role of the Senior User is to represent the client interest and to ensure that the design of the scheme meets their requirements

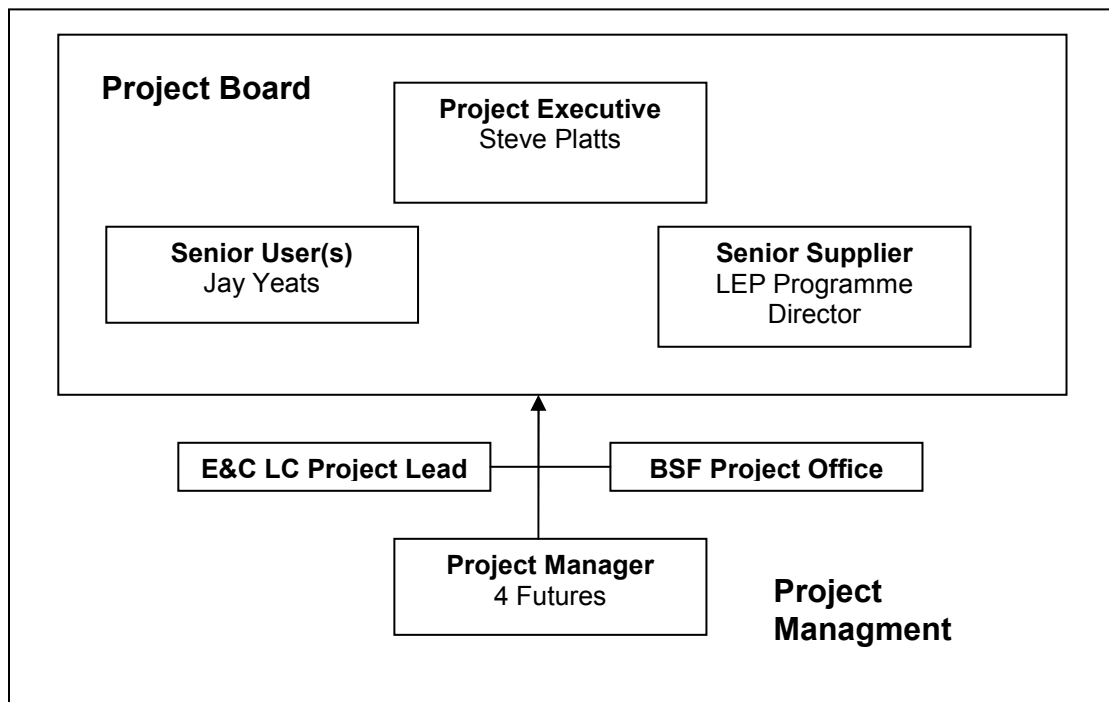
- Senior Supplier – represents the contractor and is responsible for reporting on budget and programme compliance.

## Project Management

The 'Project Management Team' will consist of:

- A Project Manager who will be a representative of the contractor.
- A Project Lead who will represent the Client, in this case the council's Health and Well-Being Team. This officer will be responsible for providing the user requirements for the completed leisure facility and who will be required to manage the input of other appropriate council officers at the appropriate time.
- If the use of the LEP is approved then a representative from the Building Schools for the Future Project Office will be responsible for monitoring the contract with 4 Futures.

The above team will be responsible for providing clear updates to the Project Board and communicating executive decisions to the Senior Supplier and Design Team. The role of the team may also extend to managing public relations and co-ordinating consultation.



## 5. Planning Strategy

A 'Hybrid' planning submission will be prepared for the site. This will take the form of a detailed proposal for the leisure centre and an outline proposal for the residential component. The application will establish the relations between the two buildings and through the viability assessment how the residential component enables the delivery of the leisure facility. The assumption at this stage is that the leisure facility represents the planning benefit arising from the development and that therefore the residential component will not include affordable housing.

The outline component of the application [the residential element] will need to address the following;

- **use** or uses;
- **amount of development** including amount of development proposed for each use;
- **layout** with the approximate location of buildings, routes and open spaces;
- **scale** defining the upper and lower limit for the height, width and length of each building;
- **access** showing the area or areas where access points will be situated.

The residential plot adjoins a listed building. Sufficient information will need to be submitted with the application to allow the impact on the setting of the listed building to be evaluated. As this is to be done through the outline component of the application the design and access statement is likely to require an architectural code which will define the design principles in relation to the listed building.

The location of the site is a zone with high levels of noise and air pollution. Survey work to establish baseline environmental conditions will be required at the outset of the design process leading to the submission of the hybrid application. The results of this will be used to mitigate environmental issues and to inform the design and orientation of the layout of the buildings.

The site is located in the backdrop to the serpentine viewing corridor. The assumption at the outset is that the height of the residential component will not intrude into the backdrop zone.

This mandate will also agree that the LEP are to provide further design work on the residential component to ensure for a planning policy compliant scheme that maximises the development potential.

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 23 November 2010	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Motions Referred from Council Assembly	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Communities, Law & Governance	

## RECOMMENDATION

1. That the cabinet considers the motions set out in the appendices attached to the report.

## BACKGROUND INFORMATION

2. Council assembly at its meeting on Wednesday, 20 October 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**

<b>Number</b>	<b>Title</b>
Appendix 1	Free school breakfasts
Appendix 2	Labour's record in office so far and the Liberal Democrats' broken election promises
Appendix 3	Thames Water sewage tunnel
Appendix 4	Comprehensive spending review

**AUDIT TRAIL**

<b>Lead Officer</b>	Ian Millichap, Constitutional Manager	
<b>Report Author</b>	Lesley John, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	12 November 2010	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	No	No
Finance Director	Yes	To follow
Strategic Director of Regeneration and Neighbourhoods	Yes	To follow
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	12 November 2010	

**APPENDIX 1****Free School Breakfasts**

At council assembly on Wednesday 20 October 2010 a motion on Free School breakfasts was proposed by Councillor Lewis Robinson and seconded by Councillor Michael Mitchell. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**Recommendation**

That council assembly notes:

1. The current administration's manifesto commitment to provide a "free healthy school meal" for every primary school child studying in the borough.
2. That officers are currently working on proposals and costs to implement this commitment.

That council assembly believes:

3. There is a considerable body of evidence, both academic and within the education profession in our borough, supporting the introduction of "breakfast clubs", especially in primary schools. This has mainly been driven by concerns that a substantial proportion of pupils are not eating breakfast and arriving at school hungry, impacting on learning and behaviour during the school day. Breakfast clubs have a wider impact in assisting pupils to arrive at school on time and provide a safe and calm environment before the school day.
4. Evaluations have taken place in inner city boroughs similar to Southwark (Camden, Haringey and Lambeth in particular) where schools participating believed that benefits derived were: children no longer hungry at the start of the school day; more focused on their work; improved punctuality and less unauthorised absences. It was also concluded that the introduction of a "breakfast club" in schools in deprived neighbourhoods was associated with an improvement in pupils' Key Stage 2 average point score.

That council assembly therefore requests the cabinet:

5. Many of our schools in Southwark have different needs and circumstances. It is often the headteachers, the education professionals at each school, who best understand the needs of their schools pupils rather than politicians.
6. Council assembly calls on the cabinet member for children and young people to explore with officers whether the provision of free breakfasts would be more appropriate than free lunches across the borough and the feasibility of allowing schools to choose themselves and to report back to councillors.
7. Council assembly welcomes cross-party support for the principle of universal free school meals.

### **Labour's record in office so far and the Liberal Democrats' broken election promises**

At council assembly on Wednesday 20 October 2010 a revised motion on Labour's broken election pledges was proposed 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 since the elections in May Labour has, in line with its manifesto:
  - Signed a deal guaranteeing a minimum level of affordable housing at Elephant & Castle and made progress on the swimming pool and demolition of the shopping centre
  - Saved Nursery Row Park and Brayards Green in line with our commitment to value green spaces
  - Cut special responsibility allowances (SRAs) by the same amount that they were increased by the last administration
  - Put in place tough new restrictions on consultancy spending
  - Started a budget consultation as part of our commitment to open up the budgeting process
  - Made every fire risk assessment publicly available
  - Hired a new housing director for the new housing department
  - Started to pilot our dedicated line for social care queries
  - Extended CCTV coverage
  - Consulted on our new charter of rights for people who need social care
  - Worked with other boroughs to see what savings can be achieved through cooperative working.
  
2. That council assembly notes that in the coming months Labour will, in line with its manifesto, at the very least:
  - Set out how we will make every home warm, dry and safe
  - Open two air quality monitoring stations
  - Launch the teen pregnancy commission
  - Publish news on the violent crime strategy
  - Continue to consult on the budget, in spite of the coalition government's cuts.

3. That council assembly notes that in contrast to this record of achievement, the last Liberal Democrat council administration left office with at least 50 of its election pledges unfulfilled.
4. That council assembly further notes the Liberal Democrats significant broken manifesto promises since entering a coalition government with the Tories, not least on:
  - the scale and speed of spending cuts
  - the hike in the level of VAT
  - the hike in tuition fees, which every Liberal Democrat MP pledged to oppose.
5. That council assembly calls on the cabinet to continue to meet its election obligations, despite the Tory/Liberal Democrat cuts.



**Thames Water sewage tunnel**

At council assembly on Wednesday 20 October 2010 a motion on the Thames Water sewage tunnel was proposed by Councillor Wilma Nelson and seconded by Councillor Eliza Mann. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**Recommendation**

1. That council assembly notes the proposal by Thames Water to close King's Stairs gardens for seven years and the Alfred Salter playground, Druid Street, for two years for the construction of the new Thames Tunnel.
2. That council assembly further notes that if the Thames Water proposals go ahead both sites will be used to construct massive permanent sewage ventilation towers with significant loss of local green space and residential amenity.
3. That council assembly supports the Thames Tunnel scheme, but believes these two sites – which provide welcome recreational and green spaces in some of the most densely populated parts of the capital – are entirely inappropriate for the task of constructing a major infrastructure project.
4. That council assembly supports the progress that the cabinet and community have made to date and will continue to make in finding less environmentally damaging alternative sites by lobbying Thames Water and calls on Simon Hughes MP to use his influence over ministers in government to find such alternative sites.

**Comments of the Strategic Director of Regeneration & Neighbourhoods**

To follow.

### **The Comprehensive Spending Review**

At council assembly on Wednesday 20 October 2010 a late motion on the comprehensive spending review was moved by Councillor Mark Glover and seconded by Councillor Helen Morrissey. The motion was agreed and stands referred to the cabinet as a recommendation.

#### **Recommendation**

1. That council assembly notes the publication of the coalition government's comprehensive spending review (CSR) today and the bigger than expected 28% cuts which will be made to the council's budget as a result.
2. That council assembly notes other announced changes with concern, including cuts of 60% to capital budgets for new housing and for rents for new council tenants to be increased to 80% of market value. This would mean an average rent of £1,358 a month for a two-bedroom flat in SE1, not only will this be pricing young families out of the borough, but also creating an impediment to the housing moves needed for Southwark's regeneration projects.
3. That council assembly does not believe that the cuts brought forward within the CSR needed to be so deep or so quick. An alternative approach could have been adopted.
4. That council assembly welcomes the commitment of the Southwark cabinet to making the budget process open and transparent and the budget principles which have been agreed.
5. That council assembly calls on the cabinet to continue to make the case against the cuts with the government and coalition MPs, but to prepare a budget within the financial constraints imposed by the government in the interests of the residents of Southwark.

#### **Comments of the Finance Director**

To follow.

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 23 November 2010	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Nomination to Adoption Panel and Appointments to Groundwork Borough Steering Group 2010-11	
<b>Ward(s) or groups affected:</b>			
<b>From:</b>		Strategic Director of Communities, Law & Governance	

## RECOMMENDATIONS

1. That the cabinet agrees to nominate a new councillor representative to the Adoption Panel for the remainder of the 2010-11 year in line with paragraph 13 of the report.
2. That Councillor Toby Eckersley be appointed as the Conservative group representative on the Groundwork Borough Steering Group.
3. That Councillor Barrie Hargrove be confirmed as an additional representative on the Groundwork Borough Steering Group.

## BACKGROUND INFORMATION

4. The cabinet considered nominations to panels, boards, forums and outside bodies for the 2010/11 year at its meeting on 15 June 2010. The cabinet agreed the nomination of Councillor Patrick Diamond as the councillor representative on the Adoption Panel and agreed Labour and Liberal Democrat group nominations to the Groundwork Borough Steering Group. The Conservative group position was not filled at that meeting as no nomination had been put forward.

## KEY ISSUES FOR CONSIDERATION

### Adoption Panel

5. Councillor Patrick Diamond, the nominated member has indicated that he is no longer able to sit on the panel due to other commitments. Another member is therefore sought.
6. All Adoption Panels are required by the Adoption Regulations to have a council member sitting on the panel.
7. The task of the panel is to make recommendations as to the suitability of people to:
  - be adopters
  - be matched with a particular child for adoption
8. The panel also makes recommendations as to the suitability of children to have adoption as their permanent care plan.
9. Panel members are required to attend 8 out of the 12 panel meetings a year.
10. Panel members, including councillor members are required to have a clear Criminal Record Bureau (CRB) check before observing a panel, which is a prerequisite to undertaking full panel duties.

11. Prior to attending panels all members must complete an application form, provide referees and once appointed be appraised annually as to their panel understanding and panel contribution.
12. A training day and a panel induction is provided after the CRB has cleared. Panel members are provided with a panel pack which includes a variety of subject material, expectations and procedures.
13. The cabinet is being asked to nominate a panel member for the remainder of the 2010/11 year. Nominated panel members are not able to actively participate in the adoption panel process until they have cleared the CRB check and completed training. In the interests of continued council member participation, it is recommended that the nominated councillor remain as the council member until any newly nominated councillor as part of the council's annual nominations process has completed the CRB and training process.

### **Groundwork Borough Steering Group**

14. The Groundwork Borough Steering Group, oversees the Groundwork's activities in Southwark. There has traditionally been 3 representatives on the Groundwork Southwark, one from each political group. However the cabinet member for environment, transport and recycling has expressed an interest in being on the borough steering group. The Groundwork organisation has indicated that the local authority representation on the borough steering group need not be limited to 3 councillor representatives.
15. The Conservative group position is currently vacant, however the group wish to put forward Councillor Toby Eckersley as the Conservative group representative.
16. A representative from the Groundwork Borough Steering Group, sits on the Groundwork South London Sub-Regional Committee which collectively oversees Groundwork's activities across South London. The current Southwark nominated member is Councillor Mark Glover.

### **Community impact statement**

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

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Terms of Reference / Constitutions of the boards and forums	160 Tooley Street London SE1 2TZ	Everton Roberts Constitutional Team 020 7525 7221

**APPENDICES**

No.	Title
None	

**AUDIT TRAIL**

<b>Lead Officer</b>	Ian Millichap, Constitutional Manager	
<b>Report Author</b>	Everton Roberts, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	12 November 2010	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
Strategic Director of Children's Services	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		12 November 2010

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