

Cabinet

Tuesday 17 May 2011

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 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
Transport, Environment and Recycling
Finance, Resources and Community Safety
Children's Services
Equalities and Community Engagement
Culture, Leisure, Sport and the Olympics

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Webpage: <http://www.southwark.gov.uk>

Members of the committee are summoned to attend this meeting

Councillor Peter John
Leader of the Council
Date: 9 May 2011



Cabinet

Tuesday 17 May 2011
4.00 pm
Town Hall, Peckham Road, London SE5 8UB

Order of Business

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	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.	
5.	MINUTES	1 - 9
	To approve as a correct record the minutes of the open section of the meeting held on 19 April 2011.	

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6.	SCRUTINY REPORT - UNFINISHED SECURITY WORKS ON THE FOUR SQUARES ESTATE	10 - 40
	To note the recommendations of the review of unfinished security works on the Four Squares Estate undertaken by the housing and community safety scrutiny sub-committee and to ask the deputy leader and cabinet member for housing management (lead cabinet member) to bring back a report to respond to the overview and scrutiny committee by 12 July 2011.	
7.	RESPONSE TO THE HOUSING AND COMMUNITY SAFETY SUB-COMMITTEE'S REVIEW OF HOUSING REPAIRS KEY PERFORMANCE INDICATORS	41 - 50
	To note and agree the response to the recommendations of the housing and community safety scrutiny sub-committee's investigation into the key performance Indicators for the housing repairs service.	
8.	ELEPHANT AND CASTLE REGENERATION - SHOPPING CENTRE	51 - 58
	To seek approval in principle to enter into a cooperation agreement.	
9.	PECKHAM AND NUNHEAD AREA ACTION PLAN TOWARDS A PREFERRED OPTION	59 - 67
	To consider the Peckham and Nunhead Area Action Plan (AAP) towards a preferred option and adopt it for consultation.	
10.	CREATION TRUST BUSINESS PLAN	68 - 77
	To approve grant funding to New Aylesbury Trust Limited "Creation Trust".	
11.	MOTIONS REFERRED FROM COUNCIL ASSEMBLY	78 - 89
	To consider motions referred from the 6 April 2011 council assembly on the following:	
	<ul style="list-style-type: none"> • Motion on themed debate: The future for Southwark – Rising to the community challenge • Repayment of major works charges by leaseholders • Secondary school in SE16 • Secure tenancies • Cabinet priorities 	

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| 12. | 161-179 MANOR PLACE, SE17 AND 6 STOPFORD ROAD, SE17 - ACQUISITION OF THIRD PARTY LEGAL INTERESTS AND SUBSEQUENT DISPOSAL OF THE COUNCIL'S FREEHOLD INTEREST | 90 - 98 |
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To approve the terms outlined in the report for the acquisition of the long leasehold interest in 161a Manor Place, SE17 and the subsequent disposal of 161 – 179 Manor Place, SE17 and 6 Stopford Road, SE17.

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

EXCLUSION OF PRESS AND PUBLIC

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

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

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

PART B - CLOSED BUSINESS

- 13. MINUTES**

To agree as a correct record the closed minutes of the meeting held on 19 April 2011.

- 14. 161-179 MANOR PLACE, SE17 AND 6 STOPFORD ROAD, SE17 - ACQUISITION OF THIRD PARTY LEGAL INTERESTS AND SUBSEQUENT DISPOSAL OF THE COUNCIL'S FREEHOLD INTEREST**

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

Date: 9 May 2011



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 19 April 2011 at 4.00 pm at Town Hall, Peckham Road, London SE5 8UB

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

All members were present.

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

The chair gave notice that the following additional deputation requests had been received in respect of Item 8, Consultation Options for Future Service Strategy for Southwark Cemeteries as follows:

- Fairlawn Primary School
- Hillyfielders Football Club
- Friends of Peckham Rye Park

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Item 8. Consultation Options for Future Service Strategy for Southwark Cemeteries

Councillor Ian Wingfield, declared a personal and non prejudicial interest, as he was a member of Friends of Peckham Rye Park group who were presenting a deputation in respect of this item.

4. PUBLIC QUESTION TIME (15 MINUTES)

Five public questions had been received.

Public question from Mr Mick Barnard:

“How do you justify including as an option the use of the Honor Oak recreation ground for burial use in tonight's report given the remit of the steering group established the last time this issue was last raised and the subsequent agreement with the then Director Fred Manson ?”

Answer of the Cabinet Member for Transport, Environment and Recycling:

1. The report before cabinet provides a justification for the urgent need for a full review of bereavement services in the borough. Burial space is almost exhausted and the council should look to create space that will allow burials to continue for the next few years to deal with the immediate and emerging need.
2. With regard to the steering group it has not been possible to find the paper trail for this group and this will be examined further to establish the group's full background, remit and authority.

The chair allowed Mick Barnard to ask a supplemental question.

The remaining four questioners were not in attendance. It was agreed that the responses would be recorded in the minutes and provided to the questioners.

Public question from Luke Miller, Elephant Amenity Network

“Major changes to the Elephant & Castle regeneration/shopping centre were announced informally in April. When will the reference group for Elephant & Castle be established and what are the governance mechanisms for decision making and public involvement now and once the reference group has been established?”

Answer of the Cabinet Member for Regeneration and Corporate Strategy:

When the regeneration agreement with Lend Lease was signed in summer 2010, the governance arrangements included a strategic management board made up of senior officers from the council and Lend Lease. This board has been fully operational since the regeneration agreement was signed and officers report progress to cabinet. In addition, as part of the consultation strategy within the master regeneration plan a steering group was proposed.

The aim of setting up the steering group was to put in place an appropriate feedback mechanism to review progress of the project and provide a public forum for discussion and debate in respect of the regeneration and its impact on the wider community. Similarly, a feedback mechanism will be put in place to ensure that the views of the steering group are raised and discussed with the management board in order to ensure that the views and opinions of all interested parties are

considered throughout the development of the project.

The proposed regeneration forum expands on the concept of a steering group to more fully involve the wider public and community in the consultation process. Representatives of Lend Lease along with council officers will be attending Walworth and Borough & Bankside Community council meetings on 3 May to talk about the launch of the Regeneration Forum which is planned for the end of May. Invitations to attend this event will be issued in early May to groups within the area and there will be information about it on the Lend Lease website www.elephantandcastle.org.uk.

The forum will meet regularly during the planning application process and it is intended to provide residents with an opportunity to influence the scheme and discuss issues arising from it. The council and Lend Lease propose that sessions are organised around key development themes such as public realm and transport. The meetings will be independently facilitated and chaired.

Public Question from Jerry Flynn

“The Elephant & Castle website is now managed by Lendlease and there is no apparent means of communication about the wider regeneration. What proposals are there for community involvement across the entire regeneration area and why has the regeneration Steering group (Cabinet 7 July 2010) not been set up? “

Answer of the Cabinet Member for Regeneration and Corporate Strategy

Lend Lease and the council remain committed to providing residents and stakeholder with an opportunity to influence the preparation of the planning application for the Heygate Estate and shopping centre sites. The council's website will continue to provide information about schemes and projects within the wider Elephant and Castle opportunity area. Lend Lease have taken the responsibility from the council for the www.elephantandcastle.org.uk website and are in the process of adding information to this about their proposals. Further material on their consultation plan for the masterplan which will involve a road show and exhibitions will be added to this over the next month. Lend Lease are currently responding to enquiries from the public that are submitted to the following address: Enquiries.elephantandcastle@lendlease.co.uk

Representatives of Lend Lease along with council officers will be attending Walworth and Borough & Bankside Community council meetings on 3 May to talk about the launch of the Regeneration Forum which is planned for the end of May.

Public Question from Seeta Rajani

“When will there be a new masterplan for the whole of the Elephant & Castle regeneration area, not just Lend Lease's section, and how and when will local communities and traders be consulted?”

Answer of the Cabinet Member for Regeneration and Corporate Strategy:

A draft opportunity area framework (OAF) / supplementary planning document (SPD) is being prepared for the Elephant and Castle. This will include guidance on sites for the entire opportunity Area. A draft will be available in October 2011 for comment. Consultation will be for 3 months as set out in the statement of community involvement. A consultation plan will be agreed by cabinet when the document is agreed for consultation. Final adoption is planned for April 2012.

Public Question from Celia Cronin

“Given the recent press reports of massive changes to the council's vision and policy for the Elephant & Castle regeneration, what are the benefits for us in the community of the new plans? What is the extent of the changes in as much detail as possible please and why were the changes made?”

Answer of the Cabinet Member for Regeneration and Corporate Strategy:

The council's vision for the Elephant and Castle as a new town centre within central London has not changed. The scheme will deliver new homes (including affordable homes), shops, community facilities, public spaces and improved public transport. All of this will directly benefit local residents and in addition it will generate new employment, training and business start up opportunities together with a much improved leisure and cultural offer. Residents will be given an opportunity to view the masterplan in the period leading up to the submission of a planning application and further details on this will be made available via www.elephantandcastle.org.uk and the councils own website.

5. MINUTES

RESOLVED:

That the open minutes of the meetings held on 15 February (special) and 22 March 2011 be approved as correct records and signed by the chair.

6. PETITION - GROVE VALE TRADERS ASSOCIATION

A petition containing 800 signatures was presented to cabinet from the Grove Vale Traders Association in respect of the proposed traffic calming measures in the area.

The spokesperson expressed concern in respect of the traffic calming proposals and the likely negative impact that they would have on local trading and businesses. It was felt that there was a lack of communication with regard to the number of parking spaces and their location. Additionally concern was also echoed in respect of potential damage to nearby buildings from the proposed speed table.

Cabinet debated the petition and;

RESOLVED:

That a meeting with the cabinet member for transport, environment and recycling, local councillors and the Grove Vale Traders Association be arranged by council officers within the next few weeks to discuss these identified concerns. No work would commence until this meeting has taken place.

7. DEPUTATION REQUESTS

The Chair agreed to accept three late deputation requests from Fairlawn Primary School, Hillyfielders Football Club and Friends of Peckham Rye Park as the item they wished to speak on was on the cabinet agenda for that evening.

Southwark Council's constitution requires that deputations can only be made by a group of people resident or working in the borough. However, the Chair exercised his discretion to allow some members of the deputations who were Lewisham residents to contribute and participate in the deputations. (Friends of Honor Oak Recreation Ground, Fairlawn Primary School, Hillyfielders Football Club)

RESOLVED

That the deputation requests be heard.

Friends of Honor Oak Recreation Ground

The deputation spokesperson addressed the meeting and confirmed that they recognised the challenge the council faces in relation to current and future burial policy, but felt that in view of the extent of public support for the Honor Oak Recreation Ground, that the recreation ground should be protected in perpetuity regardless of burial needs. Schools, football clubs, children and many others had relied on and used the recreation ground for the past fifty years. The Friends asked for a transparent consultation process and for the council to find a cross borough solution to this problem with Lewisham Council.

Fairlawn Primary School

The Headteacher of the primary school addressed the meeting to outline concerns in respect of the Honor Oak Recreation Ground. He explained that Fairlawn primary school is located within Lewisham with 33% of the children attending from Southwark. The recreation ground is used for physical education by the children throughout the year, culminating in a sports day in the summer involving all the pupils of the school. The Headteacher stressed that the current location of Honor Oak recreation ground provides an accessible and safe option (in terms of travel to the site) for the children to undertake physical education and it would be very difficult for the school to find another suitable open space for this purpose.

Hillyfielders Football Club

The deputation spokesperson addressed the meeting and highlighted the work undertaken

by the football club and the vital importance of the Honor Oak Recreation Ground to the existence and continued development of the club. The club provides sporting activities for hundreds of children from the area and the club would find it extremely difficult to find an alternative open space, identifying the problems with neighbouring open spaces. It was felt that the loss of the recreation ground for use by the club would result in the splitting up of the club which was against the community and team spirit which was fostered by the club. Additionally, the club provides opportunities for training and development with plans to offer young people from local colleges work placements within the club. The club also provides a healthy and positive environment for young people and children to develop their sporting and interpersonal skills.

Friends of Peckham Rye Park

A spokesperson for the Friends of Peckham Rye Park addressed the meeting and outlined concerns in respect of the potential loss of Honor Oak Recreation ground and the resulting pressure this would create for Peckham Rye Park. The deputation spokesperson informed the meeting that Peckham Rye was a Victorian park and was not suitable for intensive use for sports activities. It was felt that the removal of any open space like Honor Oak recreation ground from an urban area would be untenable.

The leader thanked the deputations for attending cabinet and presenting their views.

MOTION OF ADJOURNMENT

At 5.00pm it was moved, seconded and

RESOLVED: That the meeting stand adjourned.

The meeting reconvened at 5.25pm

8. CONSULTATION OPTIONS FOR FUTURE SERVICE STRATEGY FOR SOUTHWARK CEMETERIES

RESOLVED:

1. That the proposal in paragraph 21 of the report to create short term burial space at an estimated cost of £410,000 be agreed subject to agreement within the council's capital programme.
2. That consultation on the longer term options set out in paragraph 23 of the report to address the problem of the borough's burial space shortage be undertaken. Cabinet views the use of Honor Oak Park Recreation Ground as the least preferred option.
3. That the consultation plan for the longer term options for Southwark's cemeteries at Appendix 2 of the report be agreed.
4. That following consultation a report on the outcomes of the consultation and the option/s for a long term solution be prepared for a future cabinet meeting.

5. That cabinet seeks to work with Lewisham and other London authorities on joint solutions to the burial space shortage problem.

9. CHARTER OF RIGHTS AND VISION FOR ADULT SOCIAL CARE

RESOLVED:

1. That the charter of rights for adult social care services, as set out at Appendix A of the report be adopted.
2. That the charter of rights be reviewed periodically to ensure that there is consistency between the principles of the charter and the direction for the future of adult social care.
3. That the draft vision for the future of adult social care in Southwark, as set out in Appendix B of the report, be agreed.

10. DISPOSAL OF SITE AT 117-119 IVYDALE ROAD, LONDON, SE15

RESOLVED:

1. That the head of property be authorised to dispose of the council's freehold interest in 117-119 Ivydale Road ("the Land"), for the consideration set out in the closed version of the report.
2. That authority be delegated to the head of property to agree any variation to the terms agreed.

11. DISPOSAL OF 51 LORRIMORE ROAD, WALWORTH, LONDON SE17

RESOLVED:

1. That 51 Lorrimore Road (The Property) be sold on the open market subject to the council discharging its obligation to obtain the best consideration that can be reasonably obtained.
2. That authority be delegated to the head of property to market the property and agree detailed terms for its sale.

12. VARY TERMS OF DISPOSAL - SILWOOD PHASE 4B, ROTHERHITHE, LONDON SE16

RESOLVED:

1. That the head of property be authorised to vary and agree the terms of the disposal of the site known as Silwood Phase 4B in accordance with the terms set out in the closed cabinet report.

2. That the earmarking of the net receipts from the disposals into the housing investment programme be agreed.

EXCLUSION OF PRESS AND PUBLIC

It was moved, seconded and;

RESOLVED:

That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of the exempt information as defined in category 3 of paragraph 10.4 of the Access to Information Procedure Rules of the Southwark Constitution.

13. MINUTES

The minutes of the closed section of the meeting held on 22 March 2011 were approved as a correct record and signed by the Chair.

14. DISPOSAL OF SITE AT 117-119 IVYDALE ROAD, LONDON, SE15

The cabinet considered the closed information relating to this report. See item 10 for decision.

15. DISPOSAL OF 51 LORRIMORE ROAD, WALWORTH, LONDON SE17

The cabinet considered the closed information relating to this report. See item 11 for decision.

16. VARY TERMS OF DISPOSAL - SILWOOD PHASE 4B, ROTHERHITHE SE16

The cabinet considered the closed information relating to this report. See item 12 for decision.

The meeting ended at 6.15pm

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, TUESDAY 3 MAY 2011.

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

Item No. 6.	Classification: Open	Date: 17 May 2011	Meeting Name: Cabinet
Report title:		Scrutiny Report – Unfinished Security Works on the Four Squares Estate	
Ward(s) or groups affected:		All	
From:		Overview and Scrutiny Committee, Housing and Community Safety Sub-Committee	

RECOMMENDATION

1. That the cabinet notes the recommendations of the review of Unfinished Security Works on the Four Squares Estate undertaken by the Housing and Community Safety scrutiny sub-committee (attached as Appendix 1 to this report), and asks Councillor Ian Wingfield, lead cabinet member, to bring back a report to respond to the overview and scrutiny committee by 12 July 2011.

BACKGROUND INFORMATION

2. Representatives from the 4 Squares Estate made deputation to Cabinet on 19 October 2010 to request the urgent completion of security works across the estate. Their deputation detailed the numerous promises which had been made to them about the completion of the works and explained how the failure of the council to carry out the works was impacting on their daily lives
3. At that meeting the Leader of the Council, and Deputy Leader suggested that concern about discrepancies in the audit trails relating to the history of funding decisions on the works on the Estate might be an issue which the Housing and Community Safety Scrutiny Sub-committee might wish to look into. Following the cabinet meeting, the chair of the Overview and Scrutiny Committee (Cllr Lisa Rajan) wrote to the chair of the Housing and Community Safety sub-committee (Cllr Gavin Edwards) to suggest the sub-committee carry out a scrutiny of the Four Squares security works. This report is the sub-committee's response to that request
4. Overview and scrutiny committee considered and agreed the final scrutiny report at its meeting on Monday 18 April 2011.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Housing and Community Safety Scrutiny sub-committee / Overview & Scrutiny Committee - minutes and reports	Scrutiny Team Tooley Street London SE1 2QH	Karen Harris Scrutiny Project Manager Tel: 020 7525 0324

APPENDICES

No.	Title
Appendix 1	Scrutiny Review of Unfinished Security Works on the Four Squares Estate

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview & Scrutiny	
Report Author	Karen Harris, Scrutiny Project Manager	
Version	Final	
Dated	26 April 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	N/a	N/a
Finance Director	N/a	N/a
Chief Officers	N/a	N/a
Cabinet Member	N/a	N/a
Date final report sent to Constitutional Team	26 April 2011	

Unfinished Security Works on the Four Squares Estate

Report of Housing & Community
Safety Scrutiny Sub-Committee

April 2011



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Part 1 – Introduction

Background to unfinished security works on the Four Squares Estate

- 1.1 The Four Squares Estate is based in Bermondsey, near to Southwark Park, between Jamaica Road and Southwark Park Road. As the name suggests the estate is made up of four different squares of housing known as New Place Square, Lockwood Square, Marden Square and Layard Square. In total there are 685 flats on the estate.
- 1.2 The estate has had long-term and well documented problems with anti-social behaviour, vandalism, arson and other property crime. Resident representatives have been working with representatives of Southwark Council and other agencies for many years in order to put in place measures to address these problems. This has included a dispersal zone put in place during 2007 which had a significant impact upon crime in the area. Another major part of this work has been the desire to install security measures on the Four Squares helping residents to be secure in their homes. The security works would include works to the garages, stairwells, lift lobbies, estate lighting, external works and CCTV.
- 1.3 On 30 November 2005 Southwark's Investment Programme Group (IPG) agreed to fund security works on the estate. Since that time, until March 2010, there has been a general expectation that Southwark Council would carry out security works on all four squares. The total estimated cost of the scheme agreed in 2005 was £8,025,514. This was allocated funding through £2.34 million from the London Housing Board and £5,685,514 allocated from Southwark.
- 1.4 To date the council has spent £6,606,788 on the security works on New Place and Lockwood Squares with a further £130,000 committed to these projects in retention payments, giving a grand total of 6,736,788 committed and spent. The completion of the security works in these two blocks has meant residents feel significantly safer in their homes and has reduced the fear of crime.
- 1.5 In January 2010 a letter was sent by a council officer to a resident of Marden Square stating that the security works, which were expected to be carried out in that year, would not be taking place. Subsequent email exchanges between ward councillors and officers (see appendix A) revealed that capital funds were not committed to the completion of security works on Marden and Layard. To date the security works have not been carried out.
- 1.6 As a result many residents of these blocks continue to feel unsafe in their own homes.
- 1.7 Residents from Four Squares made a deputation to Cabinet on 19 October 2010 to request the urgent completion of security works across the estate. Their deputation detailed the numerous promises which had been made to them about the completion of the works and explained how the failure of the council to carry out the works was impacting on their daily lives.
- 1.8 At the cabinet meeting which heard the deputation, the leader of the council (Cllr Peter John) and deputy leader of the council (Cllr Ian Wingfield) expressed their concern about discrepancies in the audit trails relating to the history of funding decisions on the works. Cllr John suggested that this might be an issue which the Housing and Community Safety Scrutiny Sub-committee might wish to look into.

Following the meeting, the chair of the Overview and Scrutiny Committee (Cllr Lisa Rajan) wrote to the chair of the sub-committee to suggest the sub-committee carry out a scrutiny of the Four Squares security works. This report is the sub-committee's response to that request.

Timeline of events

- 2.1 As part of the scrutiny process the sub-committee requested officers to produce a detailed timetable of events and decisions relating to the security works at the Four Squares. The table is reproduced below:

FOUR SQUARES TIMELINE				
Item/Event	Year	Date/ Month	From	Form
A £1m estimate of the likely scheme costs for a pilot phase was included in the outline programme considered by the Investment Programme Group (IPG) in 2002 for a funding allocation in 2003/4	2002	24-Sep		doc
IPG paper - Major Investment Schemes Update	2003	21-Oct	Neil Kirby	doc
A successful bid for external funding was made in 2004 for £2.34M from the London Housing Board for the second phase of the programme, which would include the conversion of garages to provide 12 ground floor units. (GOL decision)	2004	8-Apr		doc
New area structure and area investment team take over 95 projects from four NHOs. New Place lift contract let already and in pre-contract phase. 1) Noi served 23/03/04; 2) Tender out 17/05/04; 3) NoP served 05/08/04; 4) Contract let 20/09/04; 5) Start on site 22/05/05; 6) PC 21/05/06. New Place security works contract stalled with legal dispute with Balfour Beatty, SBDS working on new documentation to facilitate new tender. Lockwood Lift project tendered	2005	Jan	Kevin Orford	Officer memory of events
New Place lift project commences	2005	Feb	KO	Officer memory of events
Design team confirms lift project has to complete before security works can commence	2005	Feb	KO	Officer memory of events
Lockwood lift project let. New Place lift project practical completion	2005	May	KO	Officer memory of events
New Place security contract tendered	2005	Jun	KO	Officer memory of events

IPG Sub-Group paper - Major Investment Schemes Update	2005	27-Sep	NK	doc
Lockwood lift project commences	2005	Nov	KO	Officer memory of events
Report for IPG on Four Squares Security Works Project. In 2005, the total estimated cost of the scheme agreed by the Investment Programme Group was £8,025,514. This was part funded through £2.34M of external funding from the London Housing Board. The group agreed to fund the balance of funding required of £5,685,514 from council resources to secure the funding from the London Housing Board and to allow the scheme to go ahead (IPG sub)	2005	30-Nov	M Connor	doc
Delegated Authority Report - G2 contract award approval New Place Square - Security Works	2006	Feb	KO	doc
Lockwood lift project reaches practical completion. New Place security project let	2006	Mar	KO	Officer memory of events
Lead designer for New Place leaves, replaced by Colm Murphy who will act as CPM	2006	Apr	KO	Officer memory of events
New Place security project commences. Sealed off garage area flooded when opened up. Council engages specialist drain contractor to deal. ASB towards Apollo and vandalism of work	2006	May	KO	Officer memory of events
Apollo identify structural problem in garages. Apollo complete design work for specialist doors and these approved by SBDS design team. Questions raised re manufacture time	2006	Jun	KO	Officer memory of events
Council Assembly Motion (moved by Cllr Stanton, seconded by Cllr Mann)	2006	22-Mar	DoH	doc
Executive meeting to consider the motions referred to from Council Assembly	2006	26-Jun	DoH	doc
Structural movement report issued by engineer to SBDS. SBDS instruct geotech ground survey in garages adjacent to movement identified in engineers report. ASB towards site team and LBS staff escalates and SASBU involved	2006	Jul	KO	Officer memory of events
Due to long manufacturing time for special doors contract split in two distinct periods to eliminate additional cost claims/contractual claims, also will help reduce vandalism opportunity and cost	2006	Aug	KO	Officer memory of events

Ongoing water leakage into garages from asphalt above. LBS cannot afford full scale replacement of asphalt which is required, instead minor repair instruction issued. LU issues details of Jubilee Line no-dig zone therefore no geotech survey of ground can be done, alternative method of obtaining data to be found. level of vandalism to existing garages great. Deemed impossible to overhaul and repair doors as had been specified at tender stage. Completion of heating works and completion programme issue means final account possible and formal Gateway 3 can be drafted	2006	Oct	KO	Officer memory of events
1st period of security work finishes, site winds down	2006	Nov	KO	Officer memory of events
Various discussions/briefings about the total investment needs of four squares apx £20m; most expensive estate in portfolio, and cost of security work	2006	Nov	KO	Officer memory of events
Discussions commence with STS re their proposed heating mains replacement works will overlap which 2nd period of security contract. Agreed with STS and HM that urgently required heating mains works at New Place will be undertaken within the Apollo security contract by way of nomination of both a specialist contractor and novation of the Council's specialist consultants. HM stated aims of security and heating works will therefore be met	2006	Dec	KO	Officer memory of events
2nd period security work commences. Apollo formally instructed re heating works. Pilot for new high level security garage door installed for approval	2007	Jan	KO	Officer memory of events
Programme produced by specialist heating firm and consultant for heating works, shows delay to Apollo of 12 months with start date proposed for March 07.	2007	Feb	KO	Officer memory of events
Design issues raised by specialist consultant, STS need to resolve	2007	Mar	KO	Officer memory of events
Vandals break into site office - smashed and wrecked. Furniture thrown off 5th floor balcony, graffiti burned into newly painted stair walls. Heating mains works commence after delay due to design issues, delay to security works is now 4 months. Security testing of bespoke main entrance door prototype complete, door performs satisfactorily	2007	Apr	KO	Officer memory of events

Excavation for heating mains works uncovers cold water mains in very poor condition, variation issued to replace mains whilst trenches open, further delays to security work completion due to additional work and time in open trenches	2007	Jun	KO	Officer memory of events
KF covers Rotherhithe during reorganisation. Heating mains works progress slow, further delay to security completion. Delays as a result of reorganisation	2007	Jul	KO	Officer memory of events
Planning application submitted for Marsden project	2007	Oct	KO	Officer memory of events
Reorganisation of investment team complete. Heating works close leaving Apollo able to commence security work	2007	Nov	KO	Officer memory of events
Leak from within Flat 18 from foul drains, sewage running into staircase 102. Damage to already decorated area, damaged newly installed lighting and prevents any form of works in this area.	2007	Dec	KO	Officer memory of events
Apollo issue completion programme for LBS, proposed completion date April 2008. Tender for Lockwood security issued. Apollo not invited. Completion of heating works and completion programme issue means projected final account possible and formal Gateway 3 can be drafted	2008	Jan	KO	Officer memory of events
Delegated Authority Report - G3 Variation Decision - New Place Square Security Works - CCTV and Door Entry	2008	Jan	B Anderson-Skyers	doc
G3 item approved (time and money variation). Foul water ingress to staircase 102 stops on 25 March 2008, drying out and cleansing of area required prior to remedial decoration commencement. LBS cleaners raise issues regarding new floor coatings in stairwells, joint meeting held to resolve issue and remedial actions agreed - discussion on the remuneration for this work ongoing	2008	Mar	KO	Officer memory of events
In-house stock condition survey commences	2008	Apr	David Lewis	Officer memory of events

Completion of CCTV in lifts held up by Apex, LBS term lift contractor. Area Investment team to deal with Apex issues and facilitate CCTV works. Snagging of main doors undertaken and Fendor Hansen requested to return to rectify faults. AHO to issue FOBs so door entry can be turned on, ongoing vandalism of decorations so decision made to complete decorations once building secure. Apollo site agent leaves company employ. Planning permission granted for Marsden Project	2008	Apr	KO	Officer memory of events
Door entry turned on, remaining tenants who have not collected FOBs advised in advance of access issues and process with out of hours team agreed to facilitate out of hours FOB collection/delivery.	2008	May	KO	Officer memory of events
Work substantially complete on site, staircase 102 drying out so agreed this work can be completed outside of practical completion. Apollo and CPM begin discussions on EoT	2008	Jun	KO	Officer memory of events
LBS staff chase O&M manual and H&S file, PC cannot be given until these are received albeit work on site ended. Apollo therefore still coming out to pick up all maintenance calls for door entry and the like. Lockwood security scheme let in Sept to Lengard Ltd	2008	Jul-Oct	KO	Officer memory of events
Delegated Authority Report - G2 Contract Award Approval - Lockwood Square - Security Works	2008	Jul	Beverley Anderson-Skyers	doc
FOI request from Cllr Al-Samerai: Security and Other Works Four Squares Estate	2008	Aug		Letter
Apollo agreed to proposed final account issued by LBS and deliver all outstanding documentation. LBS agree to give PC and date in Jan 09, Apollo request is backdated, the request is denied. Lockwood security project starts on site	2009	Jan	KO	Officer memory of events
In-house stock condition survey completed	2009	Feb	DL	Officer memory of events
Executive Report from Cllr Humphreys Capital Income Generation for the Housing Investment Programme and Hidden Homes	2009	17-Mar	Fiona Cliffe/ Richard Rawes	doc
Savills commissioned to review and validate survey results	2009	Apr	DL	Officer memory of events

Top-level investment plan reported to Cllrs Humphreys / Stanton based on the Council's in-house survey and a series of assumptions made because of insufficient data	2009	Jun to Aug	DL	Officer memory of events
Proposal for report to Executive on SCS and work programme, Executive decided not to proceed because concerns re. data accuracy	2009			
The Marden security work went to tender in July 2009. In late November 2009 the 2-year programme was agreed, this did not include Marden security works. The project remained on the F/P for a period in order that we had the ability to award the contract should the Council's funding position change and we needed to increase the outputs, this did not happen and the project was therefore never put forwards for approval.	2009	Nov	KO	Officer memory of events
Lockwood security project completes on site. Small variation for money required to pick up vandalism issues to new works	2009	Seo	KO	Officer memory of events
At Lead Member Brief to Cllr Humphreys on Investment strategy : D Lewis advised 'Potential shortfall may result in the deferment of some schemes. Action Note: Table to be adjusted - DL/MOB	2009	18-Sep		EMH MoM
Draft 2 Year Programme to Tenants' Council. Special TC Minutes of 19/10 meeting (draft)	2009	19-Oct	DL/MOB	doc
Savills commissioned undertaken fresh stock condition survey	2009	Dec	DL	Officer memory of events
Investment Delivery Strategy Major Works Commitments 2010-12 : Presentation to Bermondsey Area Forum	2009	Dec	DL	doc
LBS undertake end of DLP visit (New Place) and issue snag list of Apollo	2010	Jan	KO	Officer memory of events
Letter sent to a resident	2010	12-Jan	KO	Letter
Email to Cllr Humphreys, Cllr Al-Samerai, Cllr Stanton from D Lewis - 'security works are not on hold, full package of security works have been specified for Marden, however, given the timing we are exploring the idea of incorporating the works into the new major works contracts rather than through traditional tendering. The new major works contracts are due for award at the end of March, subject to a favourable decision by the LVT, and we can then discuss the options for delivery with the incoming contactor'	2010	15-Feb		Email

Savilles survey completed	2010	Dec	DL	Officer memory of events
Email from Cllr Al-Samerai to D Lewis, MOB, Cllr Humphreys, cc: Cllr Stanton, Cllr Mann, R Rawes - re: 'letter to a resident dated 12th January 2010 states security works not going ahead this year' (see L2 above)	2010	6-Mar		Email
Email D Lewis to Cllr Al-Samerai, K Humphreys, MOB cc: N Stanton, E Mann, R Rawes - 'intention to incorporate the works into the new major works contracts due to be awarded in March, subject to a positive LVT decision. However large commitments for delivery on the St Saviours and Hawkstone Estates, which have been agreed with residents. Full extend of strategic fire safety works are yet to be fully determined unable to say precisely when the works at Marden will start. However once the new contractor has been appointed and we have worked through programme and resource issues we will be in position to provide further information to residents'	2010	8-Mar		Email
Email MOB to Cllr Al-Samerai to D Lewis, K Humphreys cc: N Stanton, E Mann, R Rawes - 'Published two year programme to the end of 2011/2012, and still have to consider the impact of the inevitable increase in fire safety works expected as a result of the intrusive inspection process currently underway. There is therefore considerable uncertainty around the programme currently, and we cannot make a commitment to undertake these works this year. We will be revisiting the Investment Programme in the light of the stock condition survey and fire safety assessments in June next year, at which point we can consider any outstanding calls on us'	2010	18-Mar		Email
Revised top-level investment plan presented to members. Decency improved and investment gap reduced	2010	April – July	DL	Officer memory of events
Email MOB to Cllr Al- Samerai, D Lewis, N Stanton, E Mann - response to Cllr A email of 7 July advised D Lewis attending AGM	2010	7-Jul		Email
LBS agree Apollo have complete snagging and sign off making good of defects releasing final retention. LBS complete end of DLP visit to Lockwood and issue snagging list to Lengard. John Westray (CPM New Place and Lockwood) leaves LBS employ	2010	Sep	KO	Officer memory of events
Additional info re Four Squares Deputation to Cabinet from Director E&H to Scrutiny Committee	2010	3-Oct		doc
Four Squares Deputation to Cabinet	2010	19-Oct		doc

Delegated Authority Report - G3 Variation Decision - Lockwood Security Works	2010	Oct	KO	doc
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- 2.2 There are clearly numerous events outlined in the table above which will require comment and analysis as part of this report. However, at this stage it is identifying events which the sub-committee feels are particularly significant. They are:

November 2005 – The Investment Programme Group’s allocation of £8,025,514 (including external funding) to carry out security works on the Four Squares.

February 2006 – Contract award for the New Place Square security works

May 2006 to January 2008 – The various complications (leading to significant overspend) on the New Place Square Security works

January 2008 - Delegated Authority Report - Variation Decision on New Place Square Security Works - CCTV and Door Entry. This signed off the overspend on the New Place security works.

July 2006 – Contract award for Lockwood Square Security works

June to September 2009 – Decisions made by Southwark’s Executive regarding the future investment programme.

October 2009 to March 2010 – Various communications between the Executive Member for Housing, Officers, ward councillors and residents of the estate.

Executive Members/Cabinet Members for Housing

- 2.3 The list below sets out the various Executive/Cabinet Members for Housing in post during the period covered by this report:

Former Cllr Beverley Bassom	May 2002 - May 2004
Former Cllr Gavin O'Brien	May 2004 – February 2005
Former Cllr Stephen Flannery	March 2005 - February 2006
Former Cllr Beverley Bassom	March 2006 – May 2006
Former Cllr Kim Humphreys	May 2006 – May 2010
Cllr Ian Wingfield	May 2010 - present

Questions to be answered by this report

- 3.1 The sub-committee decided to concentrate on producing a report which answers the following questions:

- Why has most of the money intended to pay for the security works on all four squares been spent on just two of them?
- Have commitments been made to residents of the Four Squares (either by councillors or officers) without an agreed budget being in place to match their statements?
- Why was the decision not to continue with the security works or allocate a budget to these works not communicated clearly to residents of the Four Squares in late 2009-2010?
- How should the cabinet now proceed in relation to the incomplete security works?

How the sub-committee collected evidence

4.1 The sub-committee used various methods to collect the evidence for this scrutiny. They included:

- Interview with Riverside ward councillor, Cllr Anood Al-Samerai
- Interview with the former Strategic Director of Environment and Housing, Gill Davies
- Interview with the former Executive Member for Housing, Kim Humphries
- Interview with the Cabinet Member for Housing, Cllr Ian Wingfield
- Contributions to meetings and discussion with members of the Four Squares Tenants and Residents Association
- Written questions to Housing Officers
- Documentation relating to the tendering and contract award process for the security works
- Consideration of emails between ward councillors, the Executive Member for Housing and Housing Officers between February and March 2010
- Consideration of Executive and Council Assembly Papers relating to the Four Squares.

Part 2 – What went wrong?

The original budget for the security works

5.1 With such a significant short-fall in the funding for the completion of the security works, questions are inevitably raised about the adequacy of the original budget allocated to the works. In short, was it a reasonable budget to have set at that time for the completion of all four squares?

5.2 The sub-committee has been given two different assessments by officers of the adequacy of the original budget allocated to Four Squares security works. At the start of our scrutiny we submitted written questions to David Lewis, Asset Management and Investment Planning Manager. Two answers to questions put to him are relevant here:

Question: “Why was most of the budget for these security works on Four Squares spent on just two of the blocks?”

Answer: “To date the Council has spent more than £6.7m on the security works at New Place and Lockwood Squares. This includes a grant of £2.3m from the London Housing Board to the Council made in 2004/2005. The anticipated total spend for the whole estate was £8m. Each package of security works was designed to a high standard following extensive consultation with residents. In the end, the costs for each square were more than anticipated.”

And:

Question: “Did representatives of Southwark Council (Either Officers or Councillors) make commitments to residents without allocating a budget and without a budget being available for the work?”

Answer: “As mentioned above, the allocated budget has only ever been £8m and this position has been maintained. Although the scheme started on the basis that it would extend to all blocks, this was on the understanding that it would be met within the existing allocation. These resources were not adequate even at the outset. The reductions in capital allocation to the decent homes programme in 2009 meant that no further additional commitment could be made to this project.”

5.3 The sub-committee notes that even within these answers there are contradictory statements. The statement: “The anticipated total spend for the whole estate was £8m.” and “These resources were not adequate even at the outset” directly conflict.

5.4 Both Gill Davies (the former Strategic Director for Environment and Housing) and Margaret O’Brien (Head of Housing Management) stated in their interviews with the sub-committee that the original budget was, in 2005, expected to cover security works on all Four Squares.

5.5 The sub-committee notes that ward councillors and residents of the Four Squares all believed that the original budget was adequate for the completion of the works.

5.6 The sub-committee notes that there is no formal record of any councillor or officer raising doubts about the adequacy of the budget for the Four Squares security works at the time of the original allocation in 2005.

- 5.7 The sub-committee would dispute the claim made by the officer that “These resources were not adequate even at the outset” and concludes that the insufficiency of the budget arises from factors outside of the original budgeting process (i.e. unexpected costs, poor contractor performance, poor contract management).

The overspend on phase 1 of the security works (New Place Square)

- 6.1 The sub-committee has received both written and oral evidence regarding the reasons for a very large overspend on the first phase of the project, delivering the security works for New Place Square. The total overspend for this phase of the project was £1,164,102.38
- 6.2 Officers attribute the overspend to a number of unexpected structural and flooding issues which arose when work began on site. These include:
- When the sealed off garage area at New Place Square was opened up the area was flooded
 - The unexpected need to have specialist doors for the garages built and installed
 - Structural movement identified in a ground survey
 - Continued water leakage into the garage area
- 6.3 The sub-committee believes that when these unexpected issues arose during 2006 and 2007, decisive action should have been taken to clarify precisely what additional costs were going to be incurred as a result of these developments and what the knock-on effect would be on the rest of the project. That this did not occur suggests that either the Executive Member at the time was not told about the overspend by officers, or he was told and took no action to remedy the situation.
- 6.4 Instead, what appears to have happened is that the extra costs were simply absorbed by the existing budget which eventually lead to a slow realisation among officers, councillors and eventually residents of the Four Squares that the full project could not be delivered within the existing allocated budget.
- 6.5 Although there is no doubt that the unexpected developments outlined above are the primary reason for the significant overspend on the phase 1 works, the sub-committee believes that other factors also contributed to the size of the overspend.
- 6.6 At the time of these works each area office (which oversaw these projects) was operating its own technical team, with their own versions of contract documentation and with different ways of working. The council had no centralised contract management expertise and there were poor communications between staff working on individual investment projects and staff with engineering expertise.
- 6.7 There is no way for the sub-committee to make a definitive judgement on how much additional money was paid to the contractor that should not have been as a result of these weaknesses in Southwark’s contract management systems. However, the sub-committee does believe that the sheer scale of the overspend suggests much more could have been done to keep costs down.
- 6.8 The sub-committee also feels that it is a matter for concern that the scale of this overspend in the early stages of the project was not more widely communicated. It is very surprising that the Executive Member(s) either at the time or subsequently did not take action to either:

- ensure a ring-fenced allocation of funds was made to cover the additional costs;
or
- instruct officers to communicate with residents and ward councillors to alert them to the fact that there was a significant overspend and which may lead to a reduction in the security works which had originally been planned.

Formal, informal and delegated decisions of Southwark Council

7.1 There has been considerable confusion regarding the actual formal decisions which Southwark Council has taken with regard to the Four Squares Security works. This confusion largely surrounds uncertainty over whether or not the previous council Executive ever formally made a decision to allocate (and ring-fence) £8,025,514 of funding (including LHB grant) to the security works; and whether or not the former Executive made a formal decision to allocate additional funds to cover the overspend in phase 1.

7.2 Having investigated this issue at length and taken advice from officers, the sub-committee can confirm the following:

- No formal decision was ever made by the previous executive to allocate money specifically to the Four Squares Security Works. Instead, the original allocation was made by the Investment Programme Group (IPG) which operates under the delegated authority of the Strategic Director of Environment and Housing. The decision to re-allocate the money to other projects was taken in 2009 as part of the "Investment Delivery Strategy Major Works Commitments 2010-12." This decision was also made by the Strategic Director of Environment and Housing.
- As mentioned in the previous section, no formal decision was ever made by the previous Executive to allocate additional funds to the Four Squares security works following the overspend in phase 1 of the project.

7.3 The minutes of the sub-committee interview with officers on the 11 January 2011 demonstrate how the 2009 delegated decision lead to a misunderstanding about the allocation of capital funds. Officers stated:

"There may have been some mis-communication. Officers had put forward a programme of work for the future and this had not included Four Squares; members may have assumed that it was an existing and ongoing project"

7.4 Nevertheless, it is clear from the interview with the former Executive Member for Housing, Kim Humphreys, that in 2009 he was aware that the works would no longer be completed on the Four Squares. The minutes from the 11 January 2011 meeting record:

When did the Executive Member become aware that the work would not go ahead?

He was aware that some major works would not go ahead in 2009. This was a public decision which was well publicised at Tenants Council and Area Forums. Rather than contracting for individual jobs it was the intention to move to a system with a small number of major works contractors, which would have provided a greater degree of flexibility.

At what point did the former executive member know that the works would not be done within the £8 million allocation?

It was explained that he was aware in 2009 that this work had to be balanced against other issues in the major works budget.

- 7.5 The sub-committee has been informed that decisions about major investment from the Housing Capital Fund, unlike the General Fund, are not *required* to go before the Executive/Cabinet and can be made under the delegated authority of the Executive Director.
- 7.6 The sub-committee believes that the lack of transparency and public scrutiny involved in the 2009 decision to remove the Four Squares from the investment programme is one of the reasons why there has been so much confusion over the status of the project. As a result the sub-committee believes that this is practice should be changed and this is covered in the recommendations at the end of this report.

Officer/Member Communications

- 8.1 During the course of this scrutiny process, the sub-committee has come across examples of communications between officers and Members (both on the Executive and ward councillors) which give reason for concern.
- 8.2 In particular, an exchange of emails between February 2010 and March 2010 involving officers, ward councillors, the Leader of the Council (also a ward councillor) and the then Executive Member for Housing. A full version of these emails can be found in Appendix A of this report. There are lessons to be learnt from these emails about the need for Executive/Cabinet Members to be clear in their communications with ward councillors and in providing a lead for officers. These issues will be covered in a later section of this report.
- 8.3 Below is a brief description of the email exchanges referred to above:
- The emails begin with Cllr Anood Al-Samerai asking for confirmation that the security works will be completed.
 - This is followed by a very short response from Cllr Humphreys stating that promises have been made to the Four Squares residents and inviting comments from officers.
 - This is followed by an email from the Asset Management and Investment Planning Manager which begins with the sentence "The Security works are not on hold" and goes on to say that the security works may be incorporated into major works contracts.
 - Three weeks later Cllr Al-Samerai responds to say that she has just been shown a letter dated the 12 January which says that the security works are not going to be going ahead this year.
 - This is responded to by the Asset Management and Investment Planning Manager repeating his earlier suggestion that the security works will be incorporated into major works contracts.

- 10 days later Cllr Al-Samerai responds to re-iterate the urgency of the situation and to emphasise the promises which have been repeatedly made to residents of the Four Squares. 8 days later she writes again to ask for confirmation of the situation with the security works which will be delivered by officers at the Four Squares AGM the following Monday.
 - This is followed by a response the same day from the Head of Housing Management, stating for the first time that "...we cannot undertake these works this year." This email is a fairly full and frank explanation of the situation. It clearly contradicts previous emails suggesting that the works are going to go ahead according to the original timescale. The email finishes with the words: "...we will be re-visiting the investment programme in the light of the stock condition survey and fire safety assessments in June of next year at which point we can consider any outstanding calls on us."
 - The then Leader of the Council, Nick Stanton, then makes a contribution in a short email stating "But there was a ring-fenced fund from London Housing Board for the 4 squares security works." (NB: officers now confirm that this is incorrect. The LHB grant has already been spent by the council on phase 1 and 2). At the time, officers respond to Cllr Stanton by saying they will check on his statement.
 - Cllr Al-Samerai once again writes to remind officers and Executive Members of the promises which have already been made and the reasons why the works are so urgent.
 - Cllr Humphreys writes to say: "Margaret, Some of the history has been forgotten (sic). We will need to revisit"
 - Finally, on the 22 of March, Margaret O'Brien writes to clarify the situation again. She writes "...we do not have any capital funds uncommitted currently, although we will be reviewing in June/July to take into account the stock condition survey and fire assessments."
- 8.4 The sub-committee believes these emails show that officers were sending mixed messages to ward councillors about the likelihood of the works being carried out in the near future. In particular, the phrase "The security works are not on hold." is misleading. At the time this email was sent it was known among officers and the Executive Member that the Four Squares was not in the two year investment programme and that there were no longer funds allocated to completing the works. Instead vague commitments to incorporate the works into other contracts are made, but without a clearly defined timescale.
- 8.5 The sub-committee believes that a recommendation from the recently published Report on Key Performance Indicators for Housing Repairs could equally be applied to communications surrounding the Four Squares security works. The recommendation includes: "There needs to be a new culture of openness and transparency between officers, members and tenants. Officers at all levels should be encouraged to be open and frank..."
- 8.6 The sub-committee appreciates that officers are often put in a difficult position when asked to confirm whether or not important investment working is going ahead or not. As mentioned previously, the role played by the Executive Member in these emails certainly does not make their job any easier. However the sub-committee strongly feels that officers should be frank about the facts of the situation, and be prepared to deliver bad news to members (and residents) as and when this is necessary. From

the email exchanges we have seen, this was not always the case with regard to the Four Squares, and the recommendations of this scrutiny report will address this issue.

- 8.7 That said, a major contributory factor to the confusing messages being communicated in the emails above is the lack of clarity over the cost of the works and the council's financial situation. The lack of a "baseline" figure for the cost of completing the works, uncertainty about how much money is actually available in the housing capital budget and a lack of clear direction from the Executive Member for Housing all make it difficult for officers to commit to a single agreed line. As a result, completion of the security works is left hanging as a future possibility, but without any certainty about how it will be paid for or how it will be delivered.

Council/Resident Communications

- 9.1 During the scrutiny process the sub-committee heard evidence from residents of the Four Squares Estate about how often they had received promises from Officers and Councillors about the completion of the security works. This had understandably engendered a great deal of cynicism among tenants on the Four Squares about the council's ability to deliver on its promises. They gave details of numerous meetings at which they were told that the security works would be going ahead.
- 9.2 The sub-committee feels it is a matter for particular regret that the news that the security works on Marden and Layard would not be proceeding was communicated by a single letter to a single resident of the Four Squares. There was no meeting arranged to inform them of the situation and no general communication with residents to inform them that the works would not be going ahead. During oral evidence given during interviews officers apologised for this.
- 9.3 As a result, this news spread slowly among residents and added to the impression that the council was not interested in keeping them informed about developments with security works which directly affect their quality of life.
- 9.4 The sub-committee feels that it is crucial, in the future, for councillors and officers not to make promises on which they are not able to deliver. In relation to capital investment in housing, we expect the completion of the stock condition survey to provide all concerned with clearer information about where investment is needed.

Executive Member Communications

- 10.1 This project has been underway over a period of years. As a result, it has been overseen by three different Executive Members for Housing. As has already been noted, the sub-committee feels that the Executive Members in post during the period of phase 1 of the works should have made more effort deal with the issue of the overspending, either by allocating further funding, or explaining to residents that this was going to have a knock-on effect on the rest of the works.
- 10.2 It should be noted that phase 2 of the works, overspending did not become a significant problem. During oral evidence to the sub-committee Cllr Humphreys explained that when he was Executive Member for Housing he insisted on receiving written updates on all over-spending on major works.

- 10.3 During oral evidence, Cllr Humphreys explained that he was aware that, although there was some initial misunderstanding with officers, he was aware that the Four Squares had been removed from the two year investment programme by the Strategic Director of Environment and Housing in 2009. The minutes record the following three questions and answers:

When did the executive member become aware that the work would not go ahead?

He was aware that some major works would not go ahead in 2009. This was a public decision which was well publicised at Tenants Council and Area Forums. Rather than contracting for individual jobs it was the intention to move to a system with a small number of major works contractors, which would have provided a greater degree of flexibility.

At what point did the former executive member know that the works would not be done within the £8 million allocation?

It was explained that he was aware in 2009 that this work had to be balanced against other issues in the major works budget

When you were asked in February 2010 by the local councillor about the project what did you tell her about the work being completed?

Housing and Community Safety Scrutiny Sub-Committee - Tuesday 11 January 2011. The former executive member had talked about the work being completed but not where the money would be coming from. At the time it was hoped that JSI funding would help to find additional resources.

- 10.4 The sub-committee notes the lack of clarity in both the decision making and communications techniques of the former Executive Member around this issue. On the one hand, he had allowed the Four Squares Security works to be removed from the two year investment programme, but on the other, (see the email exchange in Appendix A) he was continuing to make statements such as "Commitments have certainly been made to Four Squares residents. We need to establish how we will honour them." The sub-committee would expect an Executive/Cabinet Member in this situation to be more forthright with ward councillors about the real funding situation. Though, of course, this direction may have been forthcoming in a forum other than these emails, the sub-committee has found no evidence of this.
- 10.5 In oral evidence to the sub-committee Cllr Al-Samerai said that she was never directly told by Kim Humphreys about the fact that the Four Squares security works had been removed from the two-year investment programme. The sub-committee would expect an Executive/Cabinet Member in this situation to take the time and responsibility to communicate this to ward councillors in person.

Other factors

- 11.1 It has been widely documented that during the period of the second half of 2009 and the first part of 2010, the council was struggling to ascertain the exact level of investment required to bring Southwark's housing stock up to a decent homes standard. Although the security works on the Four Squares were not strictly part of the Decent Homes programme, the funding for the works did come from the same capital source. The ongoing uncertainty about the Decent Homes funding gap did not make it easy for either officers or Members to plan ahead. It is the view of the

sub-committee that this uncertainty contributed to the lack of clarity over whether or not the Four Square Security works were actually going to be completed.

Part 3 - Conclusions and Recommendations

Conclusions

- 12.1 The sub-committee believes the following answers can be given to the questions which this report has set out to answer:

Why has most of the money intended to pay for the security works on all four squares been spent on just two of them?

The primary reason for this is the unexpected structural and flooding issues which arose when work began on site during phase 1 of the project. This vastly contributed to the overspend on the project overall. However, the sub-committee also feels that poor contractor management by Southwark council may have contributed to this.

Have commitments been made to residents of the Four Squares (either by councillors or officers) without an agreed budget being in place to match their statements?

Yes. When the project began in 2005 it was widely expected and understood that the £8,025,514 allocated to the project would mean all four squares could have their security works completed. Since the completion of phase 1 of the works, it was widely understood among senior officers that further funding would need to be allocated to the works. Not only was this funding not forthcoming, but the remainder of the £8,025,514 which had not already been spent was allocated to other works in late 2009. The Executive Member and senior officers allowed ward councillors and residents to believe that the works would be going ahead as planned right up until the last minute, when this pretence could no longer be maintained.

Why was the decision not to continue with the security works or allocate a budget to these works not communicated clearly to residents of the Four Squares in late 2009-2010?

The primary reasons are the nature of the decision and failure of officers (and the Executive Member) to do so. The decision was taken by the Strategic Director of Environment and Housing under delegated powers. Such decisions are, by their nature, less open to public and member scrutiny. That said, the officers (and Executive Member) who failed to communicate this decision to ward councillors and residents quite clearly should have done so as soon as they were aware of the situation. During interviews with senior officers during this scrutiny process they apologised for not doing so.

How should the Cabinet now proceed in relation to the incomplete security works?

This is covered in recommendation below.

Recommendations

The recommendations of the sub-committee are as follows:

1. All Cabinet Members whose responsibilities cover contractor works ensure that they are receiving regular updates on any additional or unexpected spending on the contract. Project managers should be required to submit a written report to cabinet members detailing the reasons for the overspending and describing the knock-on effects that this will have on the delivery of the project.
2. All additional spending on contractor works (over and above the original budget) in excess of £50,000 must be signed off by the Cabinet Member. Every Cabinet member should be encouraged to set up early warning systems to alert him/her to the likelihood of the formal threshold being reached.
3. All major works in excess of £50,000 which have reached Gateway 2 status should be itemised in the Quarterly Capital Monitoring Report and should be subject to Contract Standing Orders in relation to capital virements.
4. The sub-committee notes that since the overspending in phase 1 of the Four Squares Security works there have been numerous changes in Southwark's handling of major works. The sub-committee recommends that work continues to embed a professional and rigorous approach to contract management which demands the highest standards from contractors and protects Southwark Council from unacceptable levels of contract overspends.
5. Any Cabinet Member who becomes aware of a significant overspend on a major works contract which will impact on the council's ability to deliver on the scheme should take immediate and decisive action to deal with the situation. Either the Cabinet Member should take steps to secure the allocation of the required additional funds or ensure that ambitions for delivery should be scaled down.
6. In addition the cabinet member should take steps to ensure that any changes to the scheme should be communicated to affected residents in a sensitive and timely fashion
7. Major works schemes should, where ever possible, set up project boards which incorporate the residents of the proposed work areas. This would assist in lending context to planned work and help with the prioritisation of tasks. A project board with this configuration would also ensure that information filters down to the residents and help maintain project continuity.
8. The programme of works to be funded through the Capital Investment in Housing should be a member level decision, be it council assembly, cabinet or cabinet member and no longer be the subject of delegated officer powers.
9. Although it would not be fair to conclude that officers deliberately went out to mislead residents and ward councillors in this case, the sub-committee has found evidence of communications which falls short of the standard that would be expected. In the light of this evidence, the sub-committee recommends that the Cabinet ask Southwark Standards Committee look at the member-officer protocol to see if it could be revised in the light of issues uncovered during this scrutiny. The Standards committee may wish to make recommendations for revision. Clearly, any change to the member officer protocol would need to be agreed by full council.

10. Residents of the Four Squares gave very powerful evidence to the committee about the number of broken promises they have had to endure during the security works process. The sub-committee also heard of the continuing problems with crime and vandalism which continue to plague Marden and Layard Squares as a result of the security works not having been delivered.

The sub-committee understands the severe financial restraints under which the current Cabinet is working and the huge amount of investment which is needed in Southwark's housing stock. However, the sub-committee feels that residents of the Four Squares have been treated extremely poorly during this long-running saga. The sub-committee also recognises the commitment already given by the Cabinet Member for Housing to look at this issue very closely once the stock condition survey is complete and an assessment of the priority of works needed across the whole borough is complete.

As a result the sub-committee recommends that that the Cabinet Member for Housing does everything in his power to identify resources that will lead to the completion of works on Marden and Layard in as short a period as possible.

Appendix A - Email exchanges between ward councillor, Housing Officers, Leader of the Council and the Executive Member for Housing (Feb-March 2010, reverse chronological order)

-----Original Message-----

From: O'Brien, Margaret
 Sent: 22 March 2010 09:10
 To: Humphreys, Kim (Cllr); Al-Samerai, Cllr Anood; Stanton, Nicholas; Lewis, David
 Cc: Mann, Eliza; Rawes, Richard
 Subject: RE: Four Squares

Dear Kim and Anood

I am aware of the history, and I realise that there is a historic problem in the commitment given some five years ago. My problem is that we do not have any capital funds uncommitted currently, although we will be reviewing in June/July to take into account the stock condition survey and fire assessments. I understand that there is a small allocation sitting within the HIP programme, and outside our capital allocation to put toward the 4 squares security works. This will also be taken into account when we review in June.

I do really appreciate the sensitivities here, but I do not feel we can make an absolute commitment to completing the works in the next financial year, although I fully recognise that we must honour this commitment we need to consider the timescale in the light of the wider review of our priorities. The timing of the scheme is a difficult and complex decision that needs to be taken when we have full information on our future health and safety commitments.

I understand from David that he discussed the scheme with you in February after your email. He explained that works have not been put on hold, but had not been provided for in the current programme, and that a full review of that programme would take place early in the next financial year when we were clearer about the potential commitment on fire safety and when the new contractors were in place. As neither of these issues have been resolved we are still not in a position of making a cast iron guarantee of start date, even though we recognise that this commitment must be honoured.

I know this is not quite what you want to hear, but I feel it must be better to be honest with residents, and that means avoiding a commitment to start in the next financial year before the review of the programme has taken place.

I am in and out today and happy to discuss - we could pick it up at the briefing this afternoon?

Regards, Margaret.

-----Original Message-----

From: Humphreys, Kim (Cllr)
 Sent: 21 March 2010 12:26
 To: Al-Samerai, Cllr Anood; O'Brien, Margaret; Stanton, Nicholas; Lewis, David
 Cc: Mann, Eliza; Rawes, Richard
 Subject: Re: Four Squares

Margaret,

Some of the history has been forgotten. We will need to revisit

----- Original Message -----

From: Al-Samerai, Cllr Anood
 To: O'Brien, Margaret; Stanton, Nicholas; Lewis, David; Humphreys, Kim (Cllr)
 Cc: Mann, Eliza; Rawes, Richard
 Sent: Sun Mar 21 11:09:11 2010
 Subject: Re: Four Squares

Is there any update on your discussions, Margaret? I am really concerned about what will be said at Monday's meeting and that the history of all this is not being understood.

I don't know how many ways my ward colleagues and I can say that -residents were promised this work years ago; -the money is there;
 - half an estate has been done;
 -the police have evidence that crime is now on remaining two squares; - delays cost the council in repairing ongoing vandalism; -the disastrous works on New Place delayed the whole project which would otherwise have been completed by now; -clear commitments were made to elected members;
 - I thought the point of the major works contracts was to improve things but if it means that there is not the capacity to carry out the work which should be being done and which has funding there is a major flaw; -it must be possible to say that once the major works contract is done this work will be started.

Also to start talking about purdah now is frustrating as I raised this issue almost two months ago and was told in an e-mail (copied to you) dated 15th Feb that 'the security works have not been put on hold'.

Anood

----- Original Message -----

From: O'Brien, Margaret
 To: Stanton, Nicholas; Al-Samerai, Cllr Anood; Lewis, David; Humphreys, Kim (Cllr)
 Cc: Mann, Eliza; Rawes, Richard
 Sent: Thu Mar 18 18:00:31 2010
 Subject: RE: Four Squares

Not aware, will discuss with Richard/Darren and get back to you tomorrow!

-----Original Message-----

From: Stanton, Nicholas
 Sent: 18 March 2010 17:54
 To: O'Brien, Margaret; Al-Samerai, Cllr Anood; Lewis, David; Humphreys, Kim (Cllr)
 Cc: Mann, Eliza; Rawes, Richard
 Subject: RE: Four Squares

But there was a ringfenced fund from London Housing Board for the 4 squares security works.

-----Original Message-----

From: O'Brien, Margaret
 Sent: 18 March 2010 17:53
 To: Al-Samerai, Cllr Anood; Lewis, David; Humphreys, Kim (Cllr)

Cc: Stanton, Nicholas; Mann, Eliza; Rawes, Richard
 Subject: RE: Four Squares

Dear Anood

Thanks for your email, I though I had better reply directly given the sensitivities of the issue. As David has explained, we have published our two year programme to the end of 2011/2012, and still have to consider the impact of the inevitable increase in fire safety works expected as a result of the intrusive inspection process currently underway. We are also - hopefully - about to award our major works contracts next week at Executive. There is therefore considerable uncertainty around the programme currently, and we cannot make a commitment to undertake these works this year. We will be revisiting the Investment Programme in the light of the stock condition survey and fire safety assessments in June next year, at which point we can consider any outstanding calls on us.

There is an additional complication in relation to Monday's AGM. You will be aware that we are approaching the purdah period and are already operating under strict guidelines with regard to Member relations, and political activity. Kevin can only attend to present this position, and answer general questions on Investment Delivery but cannot engage in a discussion of the relative merits of this scheme or any other. The investment programme is considered politically contentious and therefore the rules about our conduct have to be very strictly observed.

I hope that we can have an early discussion when this period is over!

Kind regards, Margaret.

-----Original Message-----

From: Al-Samerai, Cllr Anood
 Sent: 18 March 2010 11:18
 To: Lewis, David; Humphreys, Kim (Cllr); O'Brien, Margaret
 Cc: Stanton, Nicholas; Mann, Eliza; Rawes, Richard
 Subject: Re: Four Squares

I understand that Kevin Orford will be attending the 4 squares AGM on Mon (22nd March). For the reasons I have given before it is really important that residents are reassured the security works will be done this year. I would appreciate it if you could confirm that the information Kevin gives to the meeting will reflect this.

Anood

----- Original Message -----

From: Al-Samerai, Cllr Anood
 To: Lewis, David; Humphreys, Kim (Cllr); O'Brien, Margaret
 Cc: Stanton, Nicholas; Mann, Eliza; Rawes, Richard
 Sent: Wed Mar 10 16:35:34 2010
 Subject: Re: Four Squares

Thanks David.

I do understand the issues around contracts but I am concerned that the previous delays and promises on the Four Squares are being overlooked. If funding is not the problem then a way to complete these security works this year has to be found.

The longer it takes the more the council spends in dealing with the damage and if there hadn't been such a disastrous process at New Place the work would already have been done by now.

I am grateful to you for your offer of attending a residents' meeting but there needs to be a timescale for works this year as soon as possible.

Anood

----- Original Message -----

From: Lewis, David
 To: Al-Samerai, Cllr Anood; Humphreys, Kim (Cllr); O'Brien, Margaret
 Cc: Stanton, Nicholas; Mann, Eliza; Rawes, Richard
 Sent: Mon Mar 08 10:31:08 2010
 Subject: RE: Four Squares

Dear Cllr Anood,

Thank you for your note and our subsequent telephone conversation.

As discussed, it is our intention to incorporate the works into the new major works contracts due to be awarded in March, subject to a positive LVT decision. Options for delivering Marden Security works (including New Place Doors) will be discussed with the incoming contractor. However, as advised, there are already large commitments for delivery on the St Saviours and Hawkstone Estates, which have been agreed with residents. This will take considerable time and resources to deliver. In addition the full extent of any required strategic fire safety works are yet to be fully determined. We are therefore unable to say precisely when the works at Marden will start. However, once the new contractor has been appointed and we have worked through programme and resource issues we will be in position to provide further information to residents.

I am happy to attend the Four Squares TRA meeting to give an update on the current situation and I apologise for any confusion that may have been caused.

Kind regards

David

-----Original Message-----

From: Al-Samerai, Cllr Anood
 Sent: 06 March 2010 11:27
 To: Lewis, David; Humphreys, Kim (Cllr); O'Brien, Margaret
 Cc: Stanton, Nicholas; Mann, Eliza; Rawes, Richard
 Subject: Re: Four Squares

I have just been shown a letter to a resident dated 12th January 2010 stating that security works would not be going ahead this year. Obviously this completely contradicts what I have been told. There is now confusion and anxiety for residents. Please could a letter be sent to Marden Square residents clarifying that the security works will be taking place and that the contract is to be awarded at the end of March. Please could ward cllrs also be sent a copy.

I am also told that the Marden works included new front doors on New Place Square (as Lockwood have been given). Please could you confirm that this is still part of the contract.

Many thanks,

Anood

Cllr Anood Al-Samerai
LibDem Member for Riverside Ward

07947 671 849

----- Original Message -----

From: Lewis, David
To: Humphreys, Kim (Cllr); Al-Samerai, Cllr Anood; O'Brien, Margaret
Cc: Stanton, Nicholas; Mann, Eliza; O'Brien, Margaret; Rawes, Richard
Sent: Mon Feb 15 15:26:07 2010
Subject: RE: Four Squares

Dear Kim,

The security works are not on hold. Indeed, the full package of security works have been specified for Marden, however, given the timing we are exploring the idea of incorporating the works into the new major works contracts rather than through traditional tendering. The new major works contracts are due for award at the end of March, subject to a favourable decision by the LVT, and we can then discuss the options for delivery with the incoming contactor.

I will keep you advised.

Regards

David

-----Original Message-----

From: Humphreys, Kim (Cllr)
Sent: 05 February 2010 11:09
To: Al-Samerai, Cllr Anood; O'Brien, Margaret
Cc: Stanton, Nicholas; Mann, Eliza; O'Brien, Margaret; Rawes, Richard; Lewis, David
Subject: Re:

Thanks for the e-mail the contents of which are noted. Commitments have certainly been made to Four Squares residents. We need to establish how we will honour them.

David, Margaret - comments?

----- Original Message -----

From: Al-Samerai, Cllr Anood
To: Humphreys, Kim (Cllr)
Cc: Stanton, Nicholas; Mann, Eliza
Sent: Wed Feb 03 08:26:52 2010
Subject:

Dear Kim,

As you know, two blocks of the Four Squares have had security works including entryphones and this has greatly improved serious difficulties with asb. I am really concerned to hear that entry phones on the other two

blocks (Marden and Layard) appear to have been put on hold and would greatly appreciate it if you could urgently look into this.

Residents were clearly promised work would be done to all four blocks and not doing so is simply not fair to residents on the remaining two blocks. The police are completely supportive of entryphones and can provide considerable evidence that crime in the two blocks with entryphones has decreased dramatically while almost all their calls to the Four Squares are now to the two blocks without entryphones. I fully appreciate the costs involved, but huge sums are saved with reduced asb and vandalism and the council's commitment to security on this estate must be honoured.

I do hope that you will be able to confirm that the remaining security work will be carried out and let me know the timescale for this. I would, of course, be happy to discuss further with you.

Look forward to hearing from you. Best wishes, Anood

Item No. 7.	Classification: Open	Date: 17 May 2011	Meeting Name: Cabinet
Report title:		Response to the Housing and Community Safety Sub-committee's Review of Housing Repairs Key Performance Indicators	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

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

In the wake of persistent complaints from residents over a sustained period regarding the housing repairs service, I suggested that the whole matter should be investigated by the Housing Scrutiny Committee for its consideration.

To that point all Ward Councillors were continually being bombarded with complaints about the poor quality of repair work, appointments not being kept, misunderstandings in the call handling of repairs, wrong trade operatives turning up, operatives having the wrong tools or not having the appropriate parts to complete a job. This was why there appeared to be a huge discrepancy between residents' own experiences and the extremely high performance statistics through Key Performance Indicators used by the Council's housing service.

Therefore I am very pleased that the Housing Scrutiny Committee considered this matter with due diligence and in great detail. It took evidence from all relevant parties and elicited significant candour from the contractors as to the failings of the present repairs service, together with direct evidence from residents' own personal examples of bad service.

I am delighted to present the recommendations of the Housing Scrutiny Committee together with the actions the Housing Department has taken to date in realising them. I fully support and endorse all recommendations and actions as they will go a large way in re-establishing the trust and confidence of residents in the repairs service. The actions taken will also give greater transparency to the whole repairs service, will put residents at the heart of the service, lead to a more realistic assessment of performance indicators and give greater monitoring and enforcement of contractors.

RECOMMENDATIONS

1. Note and agree the response to the recommendations of the Housing and Community Safety Scrutiny sub-committee's investigation into the Key Performance Indicators for the Housing Repairs Service.
2. Agree that the ongoing monitoring of action plan and progress takes place at the Repairs Core Group, chaired by the Deputy Leader and Cabinet Member for Housing.

3. Note the additional activity being undertaken to improve the repairs service.

BACKGROUND INFORMATION

4. In July 2010 the Housing and Community Safety Scrutiny sub-committee investigated Key Performance Indicators (KPIs) for the Housing Repairs Service. The review commenced in July 2010 and concluded in January 2011.
5. As part of their review the sub-committee undertook the following actions:
 - Met and questioned senior officers within the Environment and Housing department.
 - Reviewed the existing KPIs and the methodology used to measure them.
 - Listened to recordings of in-bound repairs calls, and to outbound customer satisfaction calls.
 - Met with contractors delivering the Repair and Maintenance service.
 - Undertook a case tracking exercise to assess performance against KPI outcomes.

REPORT SUMMARY

6. The sub-committee identified significant failings in the way in which performance data was collected in the repairs service. The findings were published in a report in January 2011 and made 13 key recommendations.
7. Officers welcomed this root and branch review of repairs key performance indicators. As well as providing the context to fundamentally review the repairs and maintenance service provided to residents, the recommendations complement the new housing services' department's focus on repairs. The Committee's inclusion of residents in the scrutiny process has clearly been beneficial and the recommendations reflect the need for ongoing service improvements to be shaped by residents in receipt of those services.
8. On an ongoing basis, the report reflects the need to put in place qualitative rather than quantitative KPIs which are based on the customer experience.
9. All of the recommendations made by the sub-committee have been accepted by the housing services department. This report contains a detailed response to each of the recommendations and a summary action plan is included in Appendix 1.

RESPONSE TO RECOMMENDATIONS

10. As well as setting out some clear areas for improvement in the recommendations, the sub-committee's report has prompted a wider review of the quality of the day to day repairs service, primarily because of the disconnection between reporting mechanisms and the experience of residents.
11. The report charges the housing services department to build services around resident's priorities and aspirations rather than the requirements of contractors. So, to complement the findings of the report, an end to end process review of the repairs service, involving residents, staff and contractors started at the beginning of February and completed at the end of March.

12. This review has put residents at its heart and has included every stakeholder involved in the ordering, completing, monitoring and paying for repairs, including the repairs contractors SBS and Morrisons and Vangent, who deliver the customer contact centre for the Council. The review mapped the repairs journey from the first point of contact through to successful resolution and identified a great deal of repetition, waste and duplication in the process, all of which results in an unreliable service for residents.
13. The review process has identified key operational and strategic actions required to transform the repairs service and a detailed report will be reported to the Cabinet Member for Housing at the end of May.
14. In addition, the sub-committee's report identifies that response to problems within the repairs service were largely reactive. The current configuration of the housing management division, with responsive repairs and major works delivered through one team may not have assisted in enabling both high-level overview and the ability to drill down into the detail. Since the sub-committee reported, proposed changes to the departmental structure in the Housing Services Department will separate responsive repairs and major works into two new divisions. Both of these divisions will report directly to the Strategic Director of Housing Services and should give the repairs service the necessary high-level management focus required to deliver improvements at the strategic and operational level.
15. Finally, more attention has been given to the performance management regime through stronger contract management of the repairs contractors. Although these changes have yet to deliver sustained improvements on the ground, financial penalties and more regular performance review through the core group must translate into a more responsive, efficient repairs service with an emphasis on right first time.
16. Each of these actions is complementary to the issues identified by the sub-committee and should assist in the rapid improvement of the repairs service.

RECOMMENDATIONS FROM SUB-COMMITTEE/ RESPONSE

17. The sub-committee made 13 recommendations, the response to which is set out below.

- 1) **New culture of openness and transparency between officers, members and tenants with respect to Housing repairs Service.**

Agreed. A culture of openness, transparency and customer focus has been encouraged at all levels of the repairs service. Senior managers have been encouraged to undertake 'seeing is believing' visits to understand the issues sitting behind complaints and carry out 'back to the floors' visits with housing staff and contractors.

The emphasis on a new culture is one of the central planks of the proposed new structure for the Housing Services Department. A flatter, more accountable senior management structure is being put in place to take more ownership and responsibility. Staff are being encouraged through a refreshed performance management regime to take

responsibility for their actions, to put themselves in residents' shoes and follow through on actions.

In addition, a range of performance tools has been put in place to ensure an honest assessment of performance is provided at all times. These include mystery shopping, repair call sampling and development of the new Repairs Service Improvement Group.

2) Key Performance Indicators to be used as a tool for improvements, rather than to project a positive image.

Agreed. The review of key performance indicators has been completed. To date changes have been made to the way in which repairs completed right first time, appointments kept and resident satisfaction are reported. We recognise the sub-committee's concerns that performance reporting relied on the contractors' systems and performance is now measured according to the residents' perspective and opinion. This approach provides the most accurate view of the repairs service and as many indicators as possible will be measured in this way in the future.

3) Cabinet Member for Housing to chair the core group meetings

Agreed. The Cabinet Member for Housing and Deputy Leader has been appointed as Chair of the Core Group and has chaired two meetings since the change was put in place. We have also increased the frequency of these meetings which now take place on a monthly basis instead of bi-annually.

4) Tenants Council representative to sit on core group meetings

Agreed and already in place. Three tenant representatives from Tenants Council attend core group meetings and the number will increase to four from May. Two members from Homeowners Council will also be appointed in May.

5) A single reference number for each repair from initial report until it is fully complete.

Agreed in principle. Implementation is possible but will require changes to the main system being used by Vangent at the Customer Service Centre. Wider strategic negotiations are taking place with senior officers of the Council and the Vangent executive management team about key areas for service improvement and changes to their IT system is one of the priorities. Progresses on these discussions are expected to be concluded by June 2011 and officers will provide regular updates to the Cabinet Member for Housing.

6) Call centre operatives should be trained to raise "call backs" to all repairs which are a continuation of an existing problem.

Agreed. A new procedure was introduced on 28th February 2011 which allows call-backs or recalls to be monitored as a continuation of an original problem. Residents will be able to make a further appointment at the point of call rather than waiting for a call back which was causing

significant dissatisfaction. Officers will sample check call-backs to ensure they are being completed and reported correctly.

7) Temporary repairs should not be reported as “completed repairs”

Agreed in principle. Current IT systems do not allow temporary jobs to remain open. However, changes to the IT system are planned that will address this. We expect to resolve by the end of June 2011. Typically, temporary works involve boarding windows, dealing with leaks and electrical checks. In the interim until the IT is addressed, weekly management reports will be produced to monitor temporary jobs to ensure that they are followed through to completion.

8) Appointments made and kept should no longer be reported solely through the contractors’ self-reporting system but through the customer surveys.

Agreed and this is being captured through customer satisfaction surveys since November 2010. As the sub-committee anticipated, this has resulted in much lower overall satisfaction levels with the repairs service. In March, performance was 73.9%. This, along with other performance measures, is monitored closely through the core group meetings.

9) A new text message system to be put in place preventing works orders from being closed without agreement from the tenant.

Agreed in principle. This is being operated in some other local authorities with great success and it is something which we want to see up and running in Southwark. Implementation will, however, require changes to the IT system. The outcome of the initial investigation into the practicalities of introducing this new arrangement will be reported to the core group in May.

10) a. The satisfaction survey to follow industry standards and should no longer include a rating of 3 out of 5 as a satisfied customer.

Agreed and implemented through changes to the customer satisfaction surveys which were amended in November 2010.

b. The satisfaction survey should not just include repairs that have been completed, but all jobs where the target date has passed.

Agreed. Will be reported in the new revised monthly KPI suite from the end of April 2011.

c. Staff conducting the survey should be empowered to resolve unfinished repairs, raise recalls and book appointments.

Agreed. This is in place.

11) Financial penalties and incentives are not being used due to targets not being realistic.

Significant financial penalties have been applied to both repairs contractors and the detail of this is monitored at core group meetings, which as stated earlier have now been increased to take place once a month. However, it is clear from the sub-committee's findings that we need to publicise more widely the sanctions applied for contractors' poor performance. We recognise that there is a need to share this information more widely through the consultative forums, such as Tenants Council and Area Forums and we undertake to present all of the operational performance information for the housing services department as a whole on a quarterly basis from June 2011. This timing will enable scrutiny of the first quarter of the financial year.

- 12) Southwark should introduce a policy of raising a default notice for all incomplete repairs which the contractor has reported as complete.**

Agreed. There is already an established process for dealing with incomplete overdue repairs and more than 2,000 default notices have been served this year. Default notices will also be served in every instance where the contractor incorrectly reports jobs as being completed. Performance and progress will be monitored at the monthly contract and core group meetings.

- 13) Through the core group, Southwark should insist that both SBS and Morrison prevent operative misreporting by a) implementing disciplinary training for managers and b) operating a zero-tolerance policy on misreporting.**

Agreed. This is a fundamental issue that must be addressed for the repairs service to be improved. A range of actions have been completed that address these issues. These included:

- Monitoring the level of sub-contracting by each contractor at the core group as this is widely considered to be an obstacle to delivering a consistently good service. We recognise that some specialist trades lend themselves to use of sub-contractors however routine jobs should be carried out by the main contractor and we will be monitoring closely moving forward.
- Moving the management of SBS in-house. The restructure of the housing services department includes reviewing the management structure for SBS, which is currently provided by an external consultancy Just Housing. It is intended that the new management structure will be implemented by September 2011. At the same time, AMIP is being split into two new divisions, Major Works and Maintenance and Compliance to strengthen the management capacity.
- Complaints analysis by operative to reveal repair misreporting and poor performance.
- Zero tolerance for poor performance. Team and individual performance is monitored at the strategic level by the Strategic Director of Housing Services through individual one to ones and bi-monthly team meetings, to make sure that poor performance is being tackled robustly and sanctions are being applied consistently.

In addition, the SDOH meets with HR on a monthly basis to review disciplinary case management.

- Refresher training for managers on effective management of disciplinaries has commenced and will be completed by the end of March 2011.

Community impact statement

18. Effective repairs and maintenance is a universal service that is offered to all tenants and residents of the Borough. The proposed changes to the way the service is monitored and delivered will ensure that residents receive a more customer focussed repairs service.

Resource implications

19. There are no resource implications to delivering the recommendations of this report. Changes to the overall structure of the housing services department are included in the savings proposals for 2011/12.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance (SC052011)

20. The report does not appear to raise any direct legal implications however, there are 2 incidental matters.
21. Southwark has statutory and contractual repairing obligations imposed by Section 11 of the Landlord & Tenant Act 1985, the conditions of tenancy and the tenant's handbook. The steps being taken to improve the repairs service may well assist Southwark in meeting these obligations. The improved systems are likely to result in clearer and more accurate repair records which in turn will assist Southwark in dealing more effectively with disrepair claims. In time an improved service is likely to reduce ongoing and outstanding disrepair issues and thus reduce the potential for disrepair claims and the extent of any damages payable.
22. To ensure Southwark complies with the Data Protection Act 1998 any data distributed for use in the core group meetings must not contain any information that could lead to the identification of individuals.

Finance Director

23. The Approval of Housing Revenue Account Budget 2011/12 report to Cabinet on 15 February 2011 included a section on managing repairs contracts more efficiently and hence this year's budget has been set in line with the anticipated new arrangements.
24. The recommendations in this report are thus allowed for in the 2011/12 budget and have no resource implications.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Housing and Community Safety Scrutiny sub-committee investigation into Key Performance Indicators (KPIs) for the Housing Repairs Service.	160 Tooley Street	David Lewis 0207 525 7836
End to End Process Review of Housing Repairs	160 Tooley Street	David Lewis 0207 525 7836

APPENDICES

No.	Title
Appendix 1	Housing Repairs Action Plan

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Housing Management	
Lead Officer	Gerri Scott, Strategic Director of Housing	
Report Author	David Lewis, Head of Asset Management and Investment Planning	
Version	Final	
Dated	15 April 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team		6 May 2011

HOUSING REPAIRS ACTION PLAN

No	Recommendation	Owner	Target date	RAG Assessment
1	New culture of openness and transparency between officers, members and tenants with respect to Housing repairs Service.	Gerri Scott	Ongoing	
2	Key Performance Indicators to be used as a tool for improvements, rather than to project a positive image	David Lewis	March 11	Completed
3	CMH to chair the core group meetings	Christian O'Mahoney	March 11	Completed
4	Tenants Council representative to sit on core group meetings	Christian O'Mahoney	Already in place	Completed
5	A single reference number for each repair from initial report until it is fully complete	Daniel Rankine	June 11	On-target
6	Call centre operatives should be trained to raise "call backs" to all repairs which are a continuation of an existing problem	Daniel Rankine	February 11	Completed
7	Temporary repairs should not be reported as "completed repairs"	Daniel Rankine	June 11	On-target
8	"Appointments made and kept" should no longer be reported solely through the contractors' self-reporting system but through the customer surveys	Christian O'Mahoney	Already in place	Completed
9	A new text message system to be put in place preventing works orders from being closed without agreement from the tenant	David Lewis	June 11	On-target
10a	The satisfaction survey to follow industry standards and should no longer include a rating of 3 out of 5 as a satisfied customer	Christian O'Mahoney	Already in place	Completed
B	The satisfaction survey should not just include repairs that have been completed, but all jobs where the target date has passed.	Catherine Spence	April 11	Completed
C	Staff conducting the survey should be empowered to resolve unfinished repairs, raise recalls and book appointments	Catherine Spence	April 11	Completed
11	Financial penalties and incentives are not being used due to targets not being realistic.	Chris Best	March 11	Completed

No	Recommendation	Owner	Target date	RAG Assessment
12	Southwark should introduce a policy of raising a default notice for all incomplete repairs which the contractor has reported as complete.	Catherine Spence	April 11	In place
13	Through the core group, Southwark should insist that both SBS and Morrison prevent operative misreporting by a) implementing disciplinary training for managers and b) operating a zero-tolerance policy on misreporting.	David Lewis	March 11	Completed

Item No. 8.	Classification: Open	Date: 17 May 2011	Meeting Name: Cabinet
Report title:		Elephant and Castle Regeneration – Shopping Centre	
Ward(s) or groups affected:		Cathedrals, Chaucer, East Walworth & Newington	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

There can be no doubt that the regeneration of the Elephant & Castle shopping centre is absolutely central to the transformation needed in the area. That's why the regeneration agreement we signed last year with Lend Lease covered both the Heygate Estate area and the shopping centre. However, neither Southwark Council nor Lend Lease own the shopping centre and so this agreement was always dependent on either reaching agreement with the owners of the centre or, as a fall back, a long and costly Compulsory Purchase process.

I am delighted to announce that we have now reached in principle agreement with St Modwen and I recommend that cabinet takes the in principle decisions below to enter into an agreement between ourselves and St Modwen and also a cooperation agreement between ourselves, St Modwen and our regeneration partner Lend Lease. These agreements will enable us as principle land owners to move the regeneration of Elephant & Castle forward in partnership.

This agreement is a major step to accelerate the transformation of the shopping centre, which could now happen within the next few years, rather than towards the end of the 15 year regeneration process which could otherwise have been the case.

The current preferred approach involves retaining the core of the existing structure, but extending the buildings to provide additional high quality retail and residential space. The rebuilt centre would be unrecognisable compared to the current, much derided, buildings.

The agreement will also bring St Modwen into the overall consultation plans for the regeneration and to ensure that their proposals can be presented to local residents and stakeholders as quickly as possible and so that their views can be taken into account as the plans develop.

RECOMMENDATIONS

That Cabinet agrees in principle:

1. To enter into a Co-operation Agreement with KPI III SARL and Lend Lease (Elephant and Castle) Ltd, the initial structure of which is set out in paragraph 9 of this report.

2. To enter into an Agreement with KPI III SARL for the regeneration of the Shopping Centre, the principal terms of which are set out in paragraphs 10 -13 of this report.
3. To vary the Regeneration Agreement dated between the council and Lend Lease (Elephant and Castle) Ltd to reflect the amended approach described in this report.

That Cabinet instructs

4. The Head of Property to negotiate the detailed terms of the Agreements referred to at 2-4 above, and report back to Cabinet on the conclusion of those negotiations.

BACKGROUND INFORMATION

5. On 7 July 2010 Cabinet approved the terms of a Regeneration Agreement between Lend Lease (Elephant and Castle) Ltd (LL) and the council. The shopping centre is included in the Regeneration Agreement with an agreed strategy for bringing forward the regeneration of the shopping centre. This strategy included negotiating with St Modwen PLC (St M) to enable the delivery of the regenerated Shopping Centre without recourse to acquiring the centre through CPO powers. At the time, it was reported to Cabinet (paragraph 32) that discussions were ongoing with St M, (the joint owners of the shopping centre, together with Salhia KSC, a Kuwaiti property company, and held in the name of KPI III SARL). For the avoidance of doubt all references in the report to St M apply equally to KPI III SARL. In order not to delay the completion of the Regeneration Agreement it was agreed that provision be made for LL to acquire the shopping centre and to regenerate it with the council exercising compulsory purchase powers if necessary to enable this to happen.
6. This report is the culmination of the positive discussions that have taken place with St M and LL. The joint intention now is for St M to take forward regeneration of the shopping centre. This will enable St M to invest in and retain ownership of their investment and allow LL to concentrate on the regeneration of the Heygate Estate. This will also accelerate the timeframe for the transformation of the shopping centre from that envisaged in the July report. This revised approach is agreed by LL, St M and council officers and this report is therefore seeking the in principle approval of the Cabinet to allow this new strategy to proceed.
7. It should be noted that the current preferred approach to the regeneration of the shopping centre is based on its transformation through a significant extension of the existing building not only onto adjacent land (the majority of which is owned by both St M and the council) which will create opportunity to substantially improve the nature and quality of the retail accommodation, but also into the air space immediately above to create modern residential units within a number of new buildings. This is undoubtedly an extensive development exercise which will create an exciting opportunity to deliver significant and positive change with compelling designs and materials that will finally consign the much maligned existing pink shopping centre to history. More significantly the scheme will provide much needed modern shopping and leisure facilities and additional residential buildings that will dramatically enhance the local skyline. There are major economic, environmental, regeneration and timing advantages in adopting

this approach whilst delivering all of the objectives of the council's regeneration vision and the Core Strategy.

MECHANICS OF REVISED DELIVERY APPROACH

Co-operation agreement

8. The parties LL, St M and the council will enter into an agreement that will provide for the following:

- *Development objectives*

The parties will state their objectives to work together to deliver the overall vision for the regeneration of the wider E & C area .

- *Duration of Agreement*

The agreement will set milestones and will have a finite duration to encourage the parties to progress the regeneration diligently. However milestones must be flexible to respond to market circumstances, strategic issues around transport solutions and any unforeseen problems that may arise.

- *Consultation strategy*

This will set out how the parties will work together on consultation with stakeholders that will be affected by the regeneration.

- *Communications plan*

This will set out how the parties will work together on who communicates details of the regeneration.

- *Planning agreement*

This will set out the joined up approach that St M and LL will follow in securing planning consents for their respective parts of the regeneration.

- *Statutory undertakers' strategy*

The regeneration will require working with and reaching agreements with a range of undertakers including Transport for London, Network Rail, EDF, Thames Water and BT. The strategy will set out the responsibility/joint working arrangements of the parties in this connection to achieve a comprehensive approach.

Agreement with St Modwen

9. This Agreement will set out the principal terms upon which the council will grant an option to St M to acquire adjacent council owned land shown edged red on the plan at Appendix One of this report. This land or parts of it will be sold where it is needed by St M for the regeneration of the shopping centre, ensuring that the best consideration that can reasonably be achieved is obtained in accordance with section 123 of the Local Government Act 1972. In the unlikely event that the consideration for the land or parts of it will exceed £500,000 a

report will be taken to Cabinet for a decision to dispose, otherwise the decision will be taken by the Head of Property under his delegated authority

10. The Agreement will also include provision for the council to instigate compulsory purchase proceedings in the event that this is deemed absolutely necessary by the council to enable St M to acquire any of the adjacent land ownerships or any other occupational interests in the Centre to deliver the regeneration. This is essential for a timely and certain regeneration. St M will underwrite all the council's reasonable costs in this connection. A report will be taken to cabinet for a decision to make a Compulsory Purchase Order if this is considered necessary.
11. St M and the Council will initially agree the scheme concept and principles. Then, prior to submitting a planning application for the regeneration of the Centre, St M will be obliged to have the scheme submission agreed by the council in line with the development objectives in the Agreement in its capacity as regeneration promoter rather than as planning authority; the submitted application will then be considered by the Planning Committee in the normal way.
12. Like the proposed co-operation agreement, the agreement with St M will have target planning dates and a long stop date. In the event of the long stop date not being met the agreement will terminate and the strategy for the shopping centre will have to be revised.

Variation of Regeneration Agreement

13. The change of approach from LL carrying out the Shopping Centre regeneration to St M will require the existing Regeneration Agreement to be varied whilst the agreement between the council and St M is effective.

KEY ISSUES FOR CONSIDERATION

14. The proposed approach is a tri-partite partnership and is considered to be more likely to deliver a successfully regenerated shopping centre, and deliver it earlier than previously anticipated, than would have been the case without St M's direct participation. Target dates and a long stop date will mitigate risk of delay. The fall back position whereby LL take forward the Centre's regeneration underpins the ultimate delivery of this facet of Elephant and Castle regeneration.
15. The land referred to in paragraph 8 is currently access land (1,900m² or thereabouts) and all or parts may be needed by St M to facilitate their regeneration proposals. The regeneration will provide for full means of access into the new Elephant as failure to do so will adversely affect the flow of custom to the Centre and thereby undermine its trading potential. Where adopted highway is to be taken for the regeneration it will need to be stopped up in accordance with statutory provisions the cost and risk of which will be met by St M.
16. The framework set out in this report provides the means of taking forward this key aspect of the wider regeneration in a timely manner that mitigates risk to all parties.

Policy implications

17. The regeneration of the Elephant and Castle shopping centre was a commitment within the Administration's 2010 election manifesto. It forms a key aspect of the wider Regeneration Agreement that was approved by Cabinet in July 2010. It is also a specific policy (4.27) in the adopted Core Strategy.

Community impact statement

18. The Elephant and Castle regeneration has been the subject of extensive consultation and the recommendations in this report will result in additional consultation taking place, within the overall Regeneration Agreement consultation strategy framework, as will the planning application process for the regeneration of the whole area. A full Equalities Impact Assessment for the overall regeneration has previously been carried out and will be reviewed at the time of planning applications.

Resource implications

19. Effecting the recommendations will not result in the need for any additional resources over and above those already identified for the Elephant and Castle regeneration project.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

20. The regeneration of the shopping centre will require planning permission and the planning application for the regeneration of the shopping centre will be determined by Planning Committee Members in accordance with Part 3F of the Southwark Constitution 2010/11.
21. It is noted that it is proposed that areas of public highway will be sold to St M to facilitate their regeneration; however, for the highway status to be removed a stopping up order will be necessary. There are two methods of doing this either under the Town and Country Planning Act or the Highways Act.
22. Section 247 of the Town and Country Planning Act 1990 is used where the stopping up or diversion of the highway is necessary to enable development (that has already been approved by Planning Committee) to be carried out. This procedure involves the council preparing and publicising a draft stopping order. If any objector to the order is not willing to withdraw their objection following discussions with the council the Mayor of London will need to be notified of the objections. The Mayor will decide whether or not in the circumstances of the case an Inquiry will be necessary.
23. Section 116 of the Highways Act 1980 contains the power for the highway authority to apply to Justices of the Peace for highways (including footpaths) to be diverted or stopped-up. This is rarely used and where a stopping up relates to a planning application S247 is invariably used.

24. As stated in paragraph 16, although the plan shows a substantial area of public highway, the agreement with St M is for an option to acquire the land and it would follow that only the land that is necessary for the regeneration will be acquired by St M. In determining the planning application for the regeneration Planning Committee will need to satisfy itself that there is sufficient access to and circulation around the shopping centre. The planning application will be accompanied by an assessment of vehicular and pedestrian access to and around the site which will be scrutinised by officers and summarised in the report to planning committee.
25. Should a CPO be necessary for St M to acquire the leasehold interests, it is likely that it will be exercised using the council's powers under S226 of the Town and Country Planning Act. This will be the subject of a separate report to Cabinet if the CPO is deemed necessary. The council will need to ensure that it has the benefit of a back to back agreement with St M prior to exercising its powers indemnifying the council from all costs of the CPO including the potential compensation payable to the leaseholders.
26. The disposal of the land will be the subject of a separate report to cabinet only in the event that the consideration for the land exceeds £500,000; otherwise the disposal can proceed under the authority of the Head of Property's delegated powers. The council has sufficient powers under s123 of the Local Government Act to effect these disposals provided that the best consideration that can reasonably be obtained is achieved. Independent advice on valuation will be sought at the time any disposals take place to ensure this requirement is met.

Finance Director

27. This report is recommending that the Cabinet agree in principle to enter into a Co-operation Agreement with Key Property Investments (No 5) Limited and Lend Lease (Elephant and Castle) Ltd. to include the principle terms for the regeneration of the Shopping Centre. This requires a variation to the existing Regeneration Agreement between the council and Lend Lease (Elephant and Castle) Ltd
28. The Head of Property will negotiate the detailed terms of the Agreements and report back to Cabinet on the conclusion of those negotiations.
29. The Finance Director notes that there may be a land transfer, which will be done at best consideration to the council, as required. Any costs arising such as staff time, will be met from existing revenue budgets from within the property department.
30. If there is a need for compulsory purchase orders to enable St M to acquire any of the adjacent land ownerships or any other occupational interests in the centre to deliver the regeneration then the council's reasonable costs will be met by St M.
31. If effected, these proposals will remove the need for any compulsory purchase of the whole of the shopping centre, and thus avoid any associated costs of seeking a CPO.

BACKGROUND DOCUMENTS

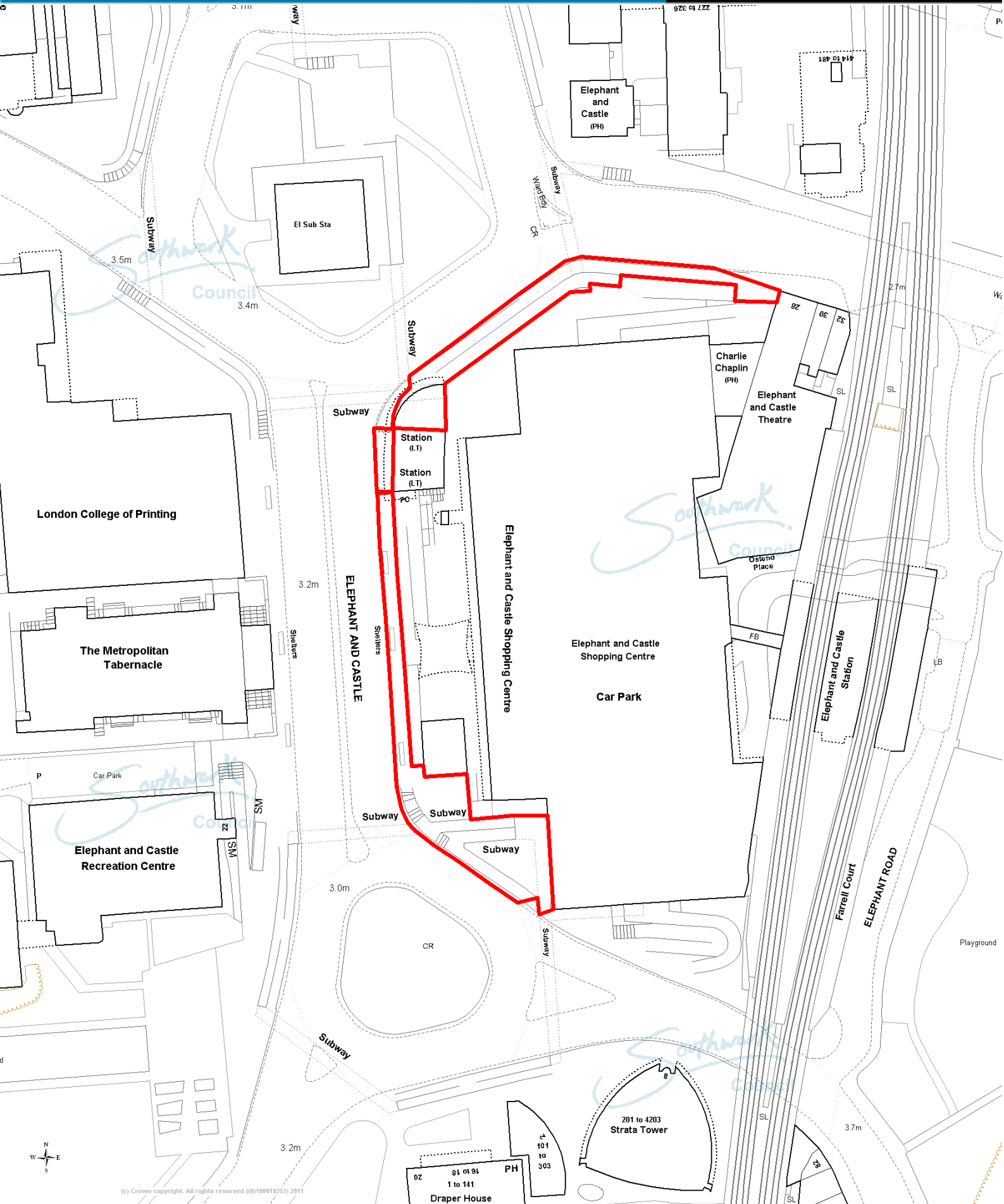
Background Papers	Held At	Contact
Correspondence file	Property Services 160 Tooley Street, London SE1	Patrick McGreal on 020 7525 5626
Cabinet report of 7 July 2010	Council and Democracy web pages at www.southwark.gov.uk	Patrick McGreal on 020 7525 5626
Cabinet minutes of 7 July 2010	Council and Democracy web pages at www.southwark.gov.uk	Patrick McGreal on 020 7525 5626

APPENDICES

No.	Title
Appendix 1	Land ownership plan

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Cabinet Member for Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Patrick McGreal, Property Services	
Version	Final	
Dated	6 May 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	6 May 2011	



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Item No. 9.	Classification: Open	Date: 17 May 2011	Meeting Name: Cabinet
Report title:		Peckham and Nunhead Area Action Plan Towards a Preferred Option	
Ward(s) or groups affected:		Livesey, Peckham, The Lane, Nunhead, Peckham Rye	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

This report recommends the next phase of consultation on the Peckham and Nunhead Area Action Plan. This key piece of planning policy will set out our vision for the future of SE15. We believe the area has the potential to provide more than 2,000 new homes, mostly in and around the town centre. The Plan will help to ensure we get the types of homes we need and also to ensure that as sites are developed they also make a positive contribution to the change we want to see in Peckham, particularly along Rye Lane, the High Street and Queens Rd. There will be less development in Nunhead, however, there is still potential for improvements and also a need to protect its local character.

At this stage we want to engage further with local residents, businesses and community groups on a variety of issues to ensure that the Preferred Option we reach later in the year truly represents the vision of the whole community for the future of Peckham and Nunhead.

With the right policies in place we will be able to build on the best of Peckham – its diversity, the growing arts and cultural buzz – and consign ill deserved negative images to the past where they belong.

RECOMMENDATIONS

That Cabinet

1. Considers the Peckham and Nunhead Area Action Plan (AAP) Towards a Preferred Option (appendix A).
2. Notes the consultation report (appendix B) and the consultation strategy and plan (appendix C).
3. Notes the interim Sustainability Appraisal (appendix D) and the Equalities Impact Assessment stage 1 report (appendix E).
4. Considers the comments of the Planning Committee on the Issues and Options Report (set out in appendix F).
5. Adopts for consultation the Peckham and Nunhead Area Action Plan (AAP) Towards a Preferred Option.

BACKGROUND INFORMATION

6. We are preparing an area action plan (AAP) for Peckham and Nunhead. The AAP will comprise localised policies which help shape the regeneration of Peckham. Like the core strategy it must be a spatial plan and concentrate on how change will be managed and achieved. Once adopted it will be a development plan in the council's local development framework (LDF) and will be used as the basis for determining planning applications in the area. Together with the Core Strategy and other AAPs, it replaces the Southwark Plan.
7. We are currently at the third stage of preparing the AAP. The first stage involved preparing and consulting on the sustainability appraisal scoping report. Consultation on the scoping report has been completed. The Scoping Report has been updated to incorporate the comments where this was appropriate (appendix D). The comments received have informed the preparation of an issues and options report.
8. The second stage was issues and options; we consulted on strategic options for the regeneration of the area. These options were fairly broad, but established distinct and viable alternative approaches to regeneration and redevelopment. At this stage, we did not state which of the options we prefer. The comments received have informed the preparation of the preferred options.
9. The towards a preferred option has been introduced to carry out further consultation on options to ensure that we have fully consulted on all of the possible options before we select the preferred option. The towards a preferred option is accompanied by an interim sustainability appraisal (appendix D) (the full appraisal is prepared at the preferred options stage), an equalities impact assessment (appendix E) and a consultation plan (appendix C).
10. The fourth stage will be the preferred option consultation by the end of 2011 on preferred options will establish a direction for policies such as the amount of new housing, tenure, transport, open spaces, schools and health facilities. The fifth stage will propose the same document for both the publication and submission to the Secretary of State for examination in public in Autumn 2012. This document will be published and representations as to its soundness will be invited. At the end of this period the same version of the document and representations received as to its soundness were submitted to the Secretary of State for independent examination. The submission will be subject to an examination in public held by a planning inspector appointed to act on behalf of the Secretary of State. The inspector will consider representations made by interested parties to test the soundness of the draft core strategy. This will involve the inspector asking further questions about issues and examining relevant evidence. The Inspector will then publish a report with binding recommendations. We will then choose to adopt the final Area Action Plan or to withdraw and go back to informal consultation.
11. Planning committee and Community Councils will be consulted as part of the consultation.

CONSULTATION

12. Formal consultation on the issues and options took place between 30 March 2009 and 25 May 2009. A report on the consultation carried out so far has been prepared (appendix B). Formal consultation will take place between 20 June 2011 and 1 August 2011. This will be preceded by 6 weeks of information consultation, starting on 9 May 2011.
13. The Planning and Compulsory Purchase Act 2004 (amended 2008) and the council's Statement of Community Involvement require consultation at preferred options stage to be ongoing and informal. To guide the overall approach to consultation on the AAP, the council has prepared an overarching consultation strategy (appendix C). At each stage in preparing the document, the council will also prepare detailed consultation plans. This is contained in appendix C.
14. It is important to recognise that a considerable amount of consultation has taken place over the last few years, particularly in Peckham. The council aims to build on this process and demonstrate that previous comments have been taken into account to try and avoid consultation fatigue.

KEY ISSUES FOR CONSIDERATION

15. Peckham and Nunhead Area Action Plan is challenging as the council is not able to stimulate regeneration through leading on development as many of the key development sites are not in council ownership. Furthermore the regeneration of Peckham to create a thriving town centre based on the regeneration of housing has not been forthcoming. We need to work closely with landowners to bring about ideal circumstances for private investment on key sites in the area. The area covers the two community council areas of Peckham and also Nunhead and Peckham Rye. There is a core area around the town centre where major development is proposed and a wider area where improvements will be of a smaller scale and more focused on accessibility, health and safety and public realm. Peckham and Nunhead Area Action Plan Issues and Options paper is set out in appendix A.
16. There are a number of key issues for consideration:
17. Irrespective of the type of growth that occurs, there are a set of options for how we should prioritise land uses. We are considering targets for homes, retail and jobs. This covers what protection we should give to employment versus other land uses and what sort of shopping offer we should have in the town centre.
18. The options for building on Peckham's reputation for creativity include providing space for creative industries under the railway arches and building new cultural facilities around Peckham Square and Peckham Rye Station. We also have an option that prioritises creative and cultural industries over other employment uses. Building on Peckham's reputation as a growing creative centre is an opportunity to help transform the reputation of Peckham into a more positive one. We have an option for identifying Peckham as a creative and cultural hub where we will give priority to creative and cultural businesses uses over others.

19. While Peckham town centre is trading well with few vacant shop units, some local people do not feel there is enough variety in shops and the night-time economy does not cater for everyone. Our options look at changing the mix of uses in the town centre to introduce more cafes and restaurants. The Aylesham Centre is one of the largest development opportunities in the area and we will work with the land owners to identify a redevelopment opportunity. This is a good opportunity to get in larger shop units.
20. For working and learning in Peckham we will continue to implement the SSFF programme and programmes such as Southwark Works to help local people get into work. All options look at how we can provide more space for small and medium businesses.
21. We are supporting the NHS in their provision of health facilities.
22. We need to decide if we want to establish a new conservation area over part of the town centre. Conservation areas have shown to complement regeneration rather than constrain development. We are consulting in parallel on new conservation areas. An example is Bermondsey Street. We are also considering listing local buildings for protection.
23. We are continuing to protect existing open spaces and proposing new sites of importance for nature conservation.
24. We are supporting and encouraging public transport improvements including the Tram, Bakerloo Line extension and East London line extension phase 2. We are also considering options for car parking in the town centre.
25. We are also considering sustainable options with energy provision and larger unit sizes.
26. There are a number of development sites where various proposals for development are set out.
27. Implementation depends on different stakeholders including the council, transport for London, the primary care trust, community groups, developers and network rail. Clarity has been provided in each option about the stakeholder responsible.

Community impact statement

28. The purpose of the AAP is to facilitate regeneration and deliver the vision of Southwark 2016 in a sustainable manner ensuring that community impacts are taken into account.
29. In preparing the Towards a Preferred Option, the council has also completed Equalities Impact Assessment (EqIA) scoping reports (available on the website). These highlight a number of key issues that need to be addressed in preparing the AAP. The first of these is the need to ensure that the methods used to consult and engage people in the preparation of the AAP are open and accessible to all members of the community. To help address this issue the council has prepared a consultation strategy which sets out the principles of how it will consult and the importance of reducing barriers to consultation. These emphasise that particular needs such as access, transport, childcare and

translation need to be considered, as well as a strategy to broaden the appeal of consultation and make it attractive to a diverse range of people and groups. At each stage, participation will be monitored and analysed to see whether any particular groups have not been engaged and whether this can be addressed at the next stage.

30. Other issues which the EqlAs highlight include access to housing for all groups. There are particular groups, such as BME communities, who are impacted by the size of housing and have a need for family sized units. It will also be important to ensure that homes are adaptable and meet lifetime homes needs, and that homes which can be easily adapted to wheelchair use are provided. The latter are important considerations for the elderly and people with disabilities. The council has a statutory duty to provide for Gypsies and travelers, and this needs to be taken into account in allocating sites in the plan. It will also be important that the plans help reduce barriers to work which are experienced by those with low skills, single parent families, and people with disabilities in particular. This will have implications for a number of the council's equalities target groups, including the young and older people, people with disabilities and people in BME communities whose first language is not English.
31. Other important issues include access to facilities, to shops, jobs, schools etc. It will be important to ensure that provision is located in areas which are accessible. This can be particularly important for groups who are less likely to have access to cars, including the young and elderly. While it will be important to improve access to public transport and reduce parking requirements, it should be borne in mind that some groups rely on cars, particularly families and the elderly.
32. An interim sustainability appraisal has been prepared to ensure the wider impacts of development are addressed. Both the sustainability appraisal and the EqlA will be taken forward and revised at preferred options stage.

Resource/Financial implications

33. This report is seeking cabinet agreement to the recommendations outlined above in considering the Peckham and Nunhead Area Action Plan (AAP) towards a Preferred option.
34. There are no immediate resource implications arising from this report as any additional work required to complete the work towards a Preferred Option will be carried out by the relevant Policy team staff resources without a call on additional funding.
35. However, future development schemes emerging from the final approved Area Action Plan will be subject to separate reports which will provide detailed and robust analysis of the financial implications of the individual schemes.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

36. The Purpose of this report is for Cabinet to consider the Peckham and Nunhead Area Action Plan (PNAAP) revised preferred options and adopt the preferred options for consultation.

Procedure for adoption of the PNAAP

37. Regulation 7 of the Town and Country planning (Local Development) (England) Regulations 2004 ('The Regulations') provides that Area Action Plans must be development plan documents (DPDs). This means that the PNAAP has the benefit that it will have development plan status once adopted.
38. The fact that the PNAAP will have DPD status also means that the legislative processes for the preparation of DPDs must be followed. The preparation process can be divided into four stages: -
- Pre-production – survey and evidence gathering leading to decision to include the PNAAP in the Local Development Scheme;
 - Production – preparation of preferred options in consultation with the community, formal participation on these, and preparation and submission of the PNAAP in light of the representations on the preferred options;
 - Examination – the independent examination into the soundness of the PNAAP; and
 - Adoption – the binding report and adoption.
39. The report that Cabinet is being asked to consider forms part of the production stage, as detailed above. The normal process would be for the preferred options to be developed following the consideration of issues and options. However, as is explained in the body of the report Members are now being asked to consult on some issues and options as a result of the previous consultation and on some issues and options which are currently preferred. This is very good practice to ensure that all comments and considerations are captured before the preparation of the preferred options, which is to follow later this year. Regulation 25 of the Regulations requires the council to consult with the community and stakeholders during the preparation of DPDs
40. In preparing the PNAAP the council must have regard to: -
- National policies and guidance;
 - The London Plan;
 - Soutwark 2016, the sustainable community strategy;
 - Any other DPDs adopted by the council; and
 - The resources likely to be available for implementing the proposals in the PNAAP.
41. As set out in the main body of this report, consultation on the issues and options was undertaken between March and May 2009. As a result of the consultation, the Towards A Preferred Option document has been produced. This new consultation will bring the document to the attention of the community and enable them to make representations in accordance with the regulations and the council's procedures.
42. The approval of a development framework document for consultation is delegated to the Individual Cabinet Members (IDM) for their area of responsibility under Part 3D, paragraph 18 of the constitution. However, the Cabinet member for Regeneration and Corporate Strategy has requested that the matter be considered by full Cabinet as the decision affects more than one portfolio.

Strategic Environmental Assessment/Sustainability Appraisal

43. An interim Sustainability Appraisal has been carried out and is appended to this report. A Sustainability Appraisal of DPDs is required by section 19(5) of the Planning and Compulsory Purchase Act 2004 and should be an appraisal of the economic, social and environmental sustainability of the plan. Provided that the sustainability appraisal is carried out following the guidelines in the *Practical Guide to the Strategic Environmental Assessment Directive* and the *Plan-Making Manual* there is no need to carry out a separate Strategic Environmental Assessment. At the time of writing this concurrent, the interim Sustainability Appraisal was not available for review and an update on this will be provided at the Cabinet Meeting.

Human rights implications

44. The Human Rights Act 1998 imposes a duty on the council as a public authority to apply the European Convention on Human Rights and the council must not act in a way which is incompatible with these rights. The most important rights for planning purposes are article 8 the right to respect for home and article 1 of the First Protocol, the right to peaceful enjoyment of property. Article 6 is also engaged in relation to the principles of natural justice. In general, these principles are inherent in domestic law. As this DPD preparation is being carried out in accordance with the statutory process, it is likely that it is in conformity with the Human Rights Act 1998.

Equalities impact assessments (EqIAs)

45. Positive equalities obligations are placed on local authorities, sometimes described as equalities duties with regard to race, disability and gender.
46. Gender equality duties were introduced by the Equality Act 2006, which amended the Sex Discrimination Act 1975. The general duties in summary require local authorities to have due regard to the need to:
- (a) “eliminate unlawful discrimination and harassment and;
 - (b) promote the equality of opportunity between men and women.”
47. Race equality duties were introduced by the Race Relations Amendment Act 2000 which amended the Race Relations Act 1976. The general duties in summary require local authorities to give due regard to the need to:
- (a) “eliminate unlawful discrimination and harassment;
 - (b) promote the equality of opportunity; and
 - (c) promote good race relations between people of different racial groups”
48. Disability equality duties were introduced by the Disability Discrimination Act 2005 which amended the Disability Act 1995. The general duties in summary require local authorities to carry out their functions with due regard to the need to:
- (a) “Promote equal opportunities between disabled persons and other persons;
 - (b) Eliminate discrimination that is unlawful under the Act;
 - (c) Eliminate harassment of disabled persons that is related to their disabilities;
 - (d) Promote a positive attitude towards disabled persons;
 - (e) Encourage participation by disabled persons in public life; and

(f) Take steps to take account of disabled person's disabilities even where that involves treating disabled persons more favourably than other persons."

49. Section 71 of the Race Relations Act 1976, section 49A(i) of the Disability Discrimination Act 1995 and section 76A of the Sex Discrimination Act 1975, require local authorities to act in accordance with the equalities duties and have due regard to these duties when we are carrying out our functions, which is important in the context of PNAPP as it will be important to ensure and continue to monitor that it does foster the creation of mixed communities.
50. Equalities have been considered as part of the development of the PNAAP and an interim Equalities Impact Assessment (EqIA) has been carried out. Further EqIAs will be undertaken throughout the process to assess the implications of applying the policy. EqIAs are an essential tool to assist councils to comply with equalities duties and ensure they make decisions fairly.
51. The EqIA in respect of the PNAAP considered the impact of the proposed policy on groups who may be at risk of discriminatory treatment and has regard to the need to promote equality among the borough's communities.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
London Plan 2008	Planning Policy Team Chiltern House	Sandra Warren 020 7525 5471
Southwark Statement of Community Involvement	Planning Policy Team Chiltern House	Sandra Warren 020 7525 5471
Core Strategy 2011	Planning Policy Team Chiltern House	Sandra Warren 020 7525 5471
Southwark Plan 2011	Planning Policy Team Chiltern House	Sandra Warren 020 7525 5471

APPENDICES

No.	Title
Appendix A	Towards a Preferred Option (circulated separately)
Appendix B	Consultation Report (available on the internet)
Appendix C	Consultation Strategy and Plan (available on the internet)
Appendix D	Interim Sustainability Appraisal (available on the internet)
Appendix E	Stage 1 Equalities Impact Assessment (available on the internet)

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Cabinet Member for Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Julie Seymour, Head of Planning Policy	
Version	Final	
Dated	6 May 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director / Departmental Finance Manager	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		6 May 2011

Item No. 10.	Classification: Open	Date: 17 May 2011	Meeting Name: Cabinet
Report title:		Creation Trust Business Case	
Ward(s) or groups affected:		Faraday	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

FOREWORD - COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY

The Creation Trust was established in 2009 to lead on social regeneration on the Aylesbury Estate. A new Director was appointed six months ago and it submitted a business plan to the council on 11 March 2011.

This report asks Cabinet to approve payment to the Creation Trust for the current quarter and to approve a funding allocation for the organisation for the next four years subject to a funding agreement. It also asks the Leader to delegate to me the responsibility of agreeing that funding agreement.

RECOMMENDATIONS

Recommendations for the Cabinet

1. To approve a grant funding payment of £62,500 to New Aylesbury Trust Ltd. "Creation Trust" on the basis of Creation Trust's Business Plan for 2011/12.
2. To approve grant funding of up to a maximum of £937,500 to be paid to the Creation Trust in quarterly tranches of £62,500 subject to the terms of a 4 year funding agreement signed in accordance with the principles set out in paragraph 19.

Recommendation for the Leader of the Council

3. To delegate the responsibility for agreeing a 4 year funding agreement between the council and Creation Trust to the Cabinet Member for Finance, Resources and Community Safety, within the principles set out in paragraph 19.

BACKGROUND INFORMATION

4. The Creation Trust (a company limited by guarantee and whose formal name is New Aylesbury Trust Ltd.) is the successor body to the Aylesbury NDC and the Aylesbury Steering Group. The NDC, which was managed by a community led board, was established in 1999 to help transform the lives of residents of the Aylesbury Estate for a period of 10 years.

5. The council's Major Projects Board, at its meeting on 27 January 2009, agreed that, in return for up to £18 million New Deal for Communities (NDC) capital funding for leaseholder buy-outs and improvements to Burgess Park, the council would:
 - (a) Bring forward the development of the Amersham site including social, community and other non-residential facilities (up to 2,500 m²) to be held in trust by the Creation Trust, for which the Creation Trust would be granted a long-lease at a peppercorn rent.
 - (b) Provide revenue support (totalling £1.25 million) to the Creation Trust, in accordance with an approved business plan for Creation's activities.
6. On 10 February 2009, an agreement was signed between Southwark Council, the Aylesbury New Deal for Communities and Creation Trust. This Memorandum of Agreement formally set out the party's intention to collaborate in the manner set out in the council's Major Project Report, which formed a schedule to the agreement. This Memorandum of Agreement was then used by the ANDC to apply formally for the funding approval of the Government Office for London (GOL).
7. On 27 February 2009, GOL approved the ANDC's funding application. In giving their approval, GOL noted that the council's commitment to providing community spaces and support for the Creation Trust formed a key part of their decision to approve the project. As with all GOL funds, in the event that there is a default in the commitment to the project and its delivery, which cannot otherwise be resolved, the funds can be clawed back.
8. On 19 October 2010, the council approved the Trust's first year business plan (2010/2011), and agreed to enter into a 1 year funding agreement, with a total funding commitment of £250,000. This funding agreement ended in March 2011, and the total commitment of £250,000 has been paid to the Creation Trust.
9. In reviewing the Trust's first year business plan, the council in October 2010, noted that it fully supported the aims and objectives of Creation Trust, however, it emphasised that as a steward of public funds and within the context of the outcome from the government's Comprehensive Spending Review (CSR 2010), it must be assured that Creation Trust's business projects (a) deliver real and positive social benefits on the Aylesbury Estate; and (b) do not duplicate other public services provided in the Aylesbury Area.
10. For this reason, it was considered imprudent for the council to provide any guarantees of continued funding beyond 2010/11, and that future funding would be conditional upon a revised business plan and funding request for Cabinet to approve annually.
11. The report of 19 October 2010, also noted that details for the rental arrangements for the social, community and other non-residential facilities had not been finalised, and that no budgetary provision had been made to cover any costs incurred by the council as a result of a non-market rental rate.

12. On February 28 2011, the council's cabinet agreed the next steps for the regeneration of the Aylesbury Estate. The report commented on the importance of strong partnerships with residents, businesses, service providers, private sector developers, housing associations and national government.

KEY ISSUES FOR CONSIDERATION

Review of 2011/12 business plan

13. The council received the 2011/12 business plan from Creation on 11 March 2011. The Business Plan sets out the main objectives and activity areas of work that will be undertaken by the Trust covering their six objectives focusing on the twin themes of People and Place. An executive summary of the plan is provided at Appendix 1.
14. The business plan has been reviewed by officers from the Finance and Regeneration department. This review has concluded that the business plan:
 - (a) Is a significantly stronger business plan than the previous 2010/11 business plan, with more robust financial projections;
 - (b) Demonstrates a clear understanding and commitment that their activities must provide added value to existing services within the Aylesbury Estate;
 - (c) Includes a focus for this year on developing tighter selection and monitoring of projects so as to ensure that they are providing effective outcomes and are delivering value for money; and
 - (d) Includes a focus of bringing in additional sources of funding to the grant funding from the council to ensure that the organisation is financially sustainable following the end of the funding payments from the council.
15. Following submission of the business plan, further discussions have taken place with the newly appointed Director of Creation Trust, to agree an action plan for 2011/12. This action plan includes objectives relating to: (a) organisational development for the Trust; (b) organisational development support to be provided by the council (c) support provided by the Trust to the council relating to redevelopment activities; and (d) partnership activities where the Trust and the council need to work in close partnership to secure the regeneration vision.
16. On the basis of the review of Creation's Business Plan for 2011/12, it is recommended that the Cabinet approve the release of a tranche of grant funding of £62,500 to Creation Trust for 2011/12.

Funding agreement

17. It is recommended that the council enter into a 4 year funding agreement with the Creation Trust, and that the Leader delegate the responsibility for approving such an agreement to the Cabinet Member for Finance, Resources and Community Safety. The council would seek to enter into this agreement prior to 30 June 2011.
18. One of the significant components of the funding agreement is that it will facilitate the mechanism for the release of grant funding for the period up to 2015 when any commitment to continue to provide financial support ceases.

19. It is recommended that Cabinet approve grant funding of up to a maximum of £937,500 be paid to the Creation Trust in quarterly tranches of £62,500 subject to the terms of a 4 year funding agreement signed in accordance with the following principles:
- Shared vision – the two parties would acknowledge (a) the shared commitment to transforming the Aylesbury estate into a thriving neighbourhood through delivering physical, social and economic change; and (b) the shared vision for the physical redevelopment of the Aylesbury Estate as established in the Area Action Plan. This can be summarised as “to deliver new homes in a new neighbourhood, with a range of tenure and ownership options that are affordable for local residents; a mixed community, with provision for families, elderly and the vulnerable; excellent schools, improved transport and community facilities, and new businesses; high quality architecture and great streets, squares and parks; sustainable and safe.”
 - Roles of the parties – the agreement would outline the different and complementary roles of the two parties and establish a shared commitment to work in mutual co-operation to further the shared aims, objectives and overall vision for the regeneration.
 - Revenue support – the agreement would set out the profile of revenue support (i.e. grant funding) to be paid to Creation Trust by the council, subject to (a) satisfactory performance, and (b) general conditions.
 - Community space – the agreement would restate the council’s previous commitment to provide Creation Trust with up to 2,500m² of space for community purposes at a peppercorn rent. Both parties will signal the shared objective of delivering such space within a viable package of redevelopment, and their intention to work together to identify a suitable interim solution pending such a viable development opportunity. The agreement will establish that while the council will forgo rent at a market rate for property in its ownership, Creation Trust will be required to cover any actual costs incurred (including utilities and maintenance costs). The funding agreement will not identify the location of this space or any more detailed terms, which would be defined in a subsequent lease or license, as appropriate.
 - Performance assessment – the agreement will set out a performance assessment regime, based on an annual report followed by an agreed annual action plan and a bi-annual monitoring mechanism. The agreement will also set out mechanisms to deal with poor performance or areas for improvement, with the ultimate sanctions being (a) non-payment and/or claw-back of the grant funding; and (b) termination of property leases.
 - General conditions – the council’s standard terms and conditions relating to such areas as equality and safeguarding will be incorporated together with a number of other conditions that are outlined in principle in Appendix 2.
 - End of agreement – the agreement will make it clear that upon termination of the agreement, the council is not liable for any further payments of grant funding to the Creation Trust. However, it will also include a mechanism for the council to work with the Trust to develop cooperation mechanisms to be implemented following the end of the agreement.

Community impact statement

20. It is anticipated that the approval of the recommendations within this report will have a significant and positive impact on local people. The council's ability to support Creation Trust in the next four years will assist the Trust in its delivery of key programmes providing important services to the community. These have been developed not only to compliment those services currently provided by the council but will also facilitate access to a wider and far reaching range of stakeholders.

Resource implications

21. The new business plan prepared by the Creation Trust is reliant on grant income from the council up to £250,000 per annum for four years (totalling £1,000,000) starting in financial year 2011/12. A sum of £250,000 has already been paid in financial year 2010/11 in support of the business plan for that year. The payment of these sums, up to a total maximum of £1,250,000 starting in financial year 2010/11 was an in principle recommendation of 27 January 2009 report put before the Major Projects Board.
22. Funding will be subject to a grant agreement covering the duration of the funding window from 1 April 2011 and which will outline the amount, duration and conditions of funding. It will also record the performance monitoring and business plan review arrangements to which the council and Trust will agree to trigger funding.
23. For the purposes of the decisions outlined in this report budget provision has been identified to fund the first £62,500 tranche proposed within current allocations for financial year 2011/12 subject to the business plan being approved by the cabinet. For the remaining £937,500, resources have been identified for payments to be made in quarterly tranches of £62,500, subject to (a) a funding agreement being signed; (b) satisfactory performance by Creation Trust; and (c) the general conditions set out in Appendix 2, subject to approval of this report by the Cabinet.
24. The 27 January 2009 report to the Major Projects Board also noted rental arrangements for community facilities to be transferred to the Trust; however, this proposal had not been finalised and no budgetary provision had at that time been identified. Where the allocation of council funding is being used by Creation Trust to meet annual running or other property costs incurred by the council, the council will only pay for such costs within the agreed £250,000 annual allocation and not make any other or duplicate additional payments to cover these costs. Once the final and/or any interim location of the community facilities have been identified, they will be subject to a license or lease arrangement, as appropriate.
25. The council intends to provide the Creation Trust with a measure of staff time support where such capacity exists whilst the Trust's own staffing structures become established. This includes up to 0.5 days per month from the council's Finance Department contained within existing council budget provisions, to assist in reviewing and monitoring Creation Trust's business plan and operations. Support provided from other departments will be subject to agreement between the Creation Trust and relevant service heads, capacity and availability of staff.

Consultation

26. There has been on-going consultation with the Director of Creation Trust regarding the Business Plan and the development of a new Funding Agreement.
27. The council will be working in partnership with Creation to improve the level of participation in future consultation activities and capacity of some residents to engage with complex issues related to regeneration.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

28. This report seeks the approval of the Cabinet to an initial payment to Creation Trust of £62,500, and seeks a delegation from the Leader to allow the Cabinet Member for Finance, Resources and Community Safety to agree the Funding Agreement with Creation Trust, thereby allowing further payments to be made to them over a 4 year term.
29. Section 2 of the Local Government Act 2000 enables the council to do anything which it considers likely to bring about the economic, environmental and social well-being of an area. The regeneration of the Aylesbury Estate is a key priority for the council (as noted in its corporate plan), and as the objectives of the Funding Agreement are compatible with those key priorities, the approval of this funding will assist the council in delivering its vision for this area.
30. Officers from the contracts team in Communities, Law and Governance will assist in the agreement and drafting of the Funding Agreement, in line with the principles noted in appendix 2. Any payments beyond the initial payment of £62,500 will be subject to the terms of the Funding Agreement being finalised with Creation Trust, and subject to a separate agreement by the Cabinet Member for Finance, Resources and Community Safety.

Finance Director

31. Provision of funding to the Creation Trust will assist it in realising its business plan on the Aylesbury Estate during its formative years. Such funding is to be subject to conditions, including annual review and approval of the Trust's business plan by the council, framed in an agreement for the funding term. In meeting these conditions the Trust will have the opportunity to clearly demonstrate its performance and how it proposes to add value for the regeneration of the estate over the funding term. The amount shown in the agreement will be the maximum level up to which the council will fund under that agreement.
32. As the permanent location of the Trust is yet to be determined, the financial implications of that decision will need to be the subject of a separate future report.
33. Resource implications of providing any council staff time to support the Trust will be agreed and monitored by relevant department heads and budget holders.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
New Deal for Communities (NDC) Neighbourhood Regeneration and Implementation Collaboration Agreement	Major Projects Board, January 27 2009	Inez Cornwell 0207 525 0395
Creation Trust – Approval of Finance to Support its Business Case for 2011/12	Cabinet, 19 October 2010	Inez Cornwell 0207 525 0395
Aylesbury Regeneration – Next Steps	Cabinet, 28 February 2011	Inez Cornwell 0207 525 0395

APPENDICES

No.	Title
Appendix 1	Creation Trust Business Plan 2011/12 Executive Summary
Appendix 2	Funding agreement - General Conditions

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety.	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Sara Waller, Aylesbury Project Director	
Version	Final	
Dated	5 May 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	5 May 2011	

APPENDIX 1**Creation Trust – Business Plan 2011 / 12: Executive Summary**

Creation Trust's Business Plan for 2011/12 builds on the work already developed by the Aylesbury NDC and focuses on Creation's vision and objectives in support of the regeneration over the coming years.

Objectives

Creation's six objectives, which focus on the twin themes of "People and Place" are:

- delivering youth programmes to increase educational attainment, improve well being and reduce anti social behaviour
- supporting vulnerable residents who are isolated and at risk
- delivering services for adults to improve their skill, economic opportunities and well being
- providing residents with opportunities and information to encourage them to participate in their local community
- representing residents on relevant decision making forums in order that their voice is heard especially in relation to housing and regeneration issues
- campaigning to improve the local community through supporting effective regeneration, working to reduce crime, lobbying for community faculties, services and housing standards.

Delivery

Creation's plan sets out how these objectives will be delivered by supporting other groups to provide programmes or by running their own events and schemes that will complement and add value to those already in existence, including those being provided by Southwark Council.

All programmes are consistent with Southwark Council's "Fairer Futures for All" objectives using a staff team to deliver, whether in partnership or directly, some key programmes such as:

- Aylesbury Push and arts and sports activities
- Over 50's social activities and a Befriending scheme
- improving engagement and involvement of residents by introducing "Block Champions" and circulating a regular quarterly newsletter : The Echo

Performance and Monitoring

In delivering these programmes, the Trust's business plan sets out a strategy to monitor and track financial performance and overall success of the projects, establish strong partnerships with relevant bodies and details it's governance and management approach. The Plan also sets out it's approach to working towards being fully independent and self financing by 2015.

2010/11 Output Figures

The business plan includes previously agreed and achieved targets that clearly demonstrate how the Trust has delivered programmes that provide value for money and supported the goals of the regeneration.

2011/12 Output Targets

For 2011/12 the plan provides details of the Trust's output and outcome targets for the year which include the following key deliverables:

- providing tuition for GCSE students for a period of 20 weeks
- a 40 week arts and sports activity programme
- support for 40 vulnerable residents via an advocacy case worker
- befriending 25 isolated residents
- securing 40 jobs
- offering 10 residents work skills training
- providing over 50's social activities to 40 residents
- providing 70 residents with the opportunity to attend adult learning classes

APPENDIX 2**Funding agreement - General Conditions**

The following general conditions will form part of the Funding agreement between the council and Creation Trust. These conditions govern circumstances (other than poor performance by Creation) where the council will have the right to withhold, reduce, discontinue or claw back payments:

1. Acts of Creation Trust
 - a. Financial insolvency
 - b. Improper financial management
 - c. Agreement being assigned to another organisation or company
 - d. Failure to allocate grant funding to agreed and scheduled purposes
 - e. Party political activity
 - f. Corruption
 - g. Non-compliance with the law.
 - h. Lack of proper insurances
 - i. Cessation of operations.

2. National Government requiring claw back of the monies and / or any changes in the instructions for use of the grant funding by Government

These conditions will be further developed during the course of the drafting of the Funding Agreement. The Agreement will also set out the notification procedures to be followed in the event that the Trust fails to meet any of the above conditions.

Item No. 11.	Classification: Open	Date: 17 May 2011	Meeting Name: Cabinet
Report title:		Motions Referred from Council Assembly	
Ward(s) or groups affected:		All	
From:		Strategic Director of Law, Communities & 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, 6 April 2011 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 2QH	Lesley John Constitutional Team 020 7525 7228

APPENDICES

Number	Title
Appendix 1	Motion on themed debate: The future for Southwark – Rising to the community challenge
Appendix 2	Repayment of major works charges by leaseholders
Appendix 3	Secondary school in SE16
Appendix 4	Secure tenancies
Appendix 5	Cabinet priorities

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager	
Report Author	Lesley John, Constitutional Officer	
Version	Final	
Dated	6 May 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Deputy Chief Executive	Yes	Yes
Strategic Director of Children's Services	Yes	To follow
Strategic Director of Housing Services	Yes	Yes
Strategic Director of Communities, Law and Governance	No	-
Cabinet Member	No	-
Date final report sent to Constitutional Team	6 May 2011	

APPENDIX 1**Motion on themed debate: The future for Southwark – Rising to the community challenge**

At council assembly on Wednesday 6 April 2011 a motion on the future for Southwark – rising to the community challenge was moved by Councillor Patrick Diamond and seconded by Councillor Michael Situ. The motion was agreed and stands referred to the cabinet as a recommendation.

Recommendation

1. That council assembly notes the letter from the cabinet member for equalities and community engagement setting out the theme of the debate: “The future for Southwark - rising to the community challenge”.
2. That council assembly notes the assertion that “the council’s role will have to change over the coming years, due to spending cuts and changing resident expectations and needs.” It notes the questions that the cabinet member posed to members to help them think about how they can shape that change:
 - How can we give residents more control over the services they receive?
 - What role could you and your community play in helping to deliver these services?
 - How should we measure success and how should we communicate our progress with you?
3. That council assembly calls on the cabinet to note the content of the debate and points raised.
4. That council assembly calls on the cabinet member for regeneration and corporate strategy to report back in not less than six months on which of these ideas will be pursued further with communities and neighbourhood forums.

Comments of the Deputy Chief Executive

At Council Assembly on 6 April, the Cabinet Member for Regeneration and Corporate Strategy set out a focus on three core themes:

- Delivering shared services
- An holistic approach to service delivery, joined up around families and individuals
- Community involvement in service delivery

Questions and the debate at Council Assembly provided a number of ideas on how the Council should meet future challenges.

The Cabinet Member also invited Members to send in their views if they did not get a chance to speak in the debate and a number of additional points have been raised since 6 April. The themed debate will continue to be followed up through Community Councils.

The ideas presented during the debate or since will be collated by officers. These, and actions taken as appropriate, will be reported back within the timescale set out in the motion. Further, the Council plan will be considered by Cabinet on 21st June 2011 and will be submitted to Council Assembly for approval. Development of the Council plan will be informed as appropriate by the ideas raised through this process. This is within the timeframe for the Cabinet Member to report back.

Repayment of major works charges by leaseholders

At council assembly on Wednesday 6 April 2011 a motion on repayment of major works charges by leaseholders was moved by Councillor Lewis Robinson and seconded by Councillor Toby Eckersley. The motion was agreed and stands referred to the cabinet as a recommendation.

Recommendation

That council assembly notes:

1. Southwark Council currently offers leaseholders a number of repayment options when major works (a charge for large one-off works to a block or an estate) are due on their property for which they are liable. These include a "voluntary charge" payable upon sale of the property, and an interest free repayment period of between 12 and 36 months. The council's preferred option is repayment in 12 monthly instalments (Home Owners Guide)
2. The interest free repayment offer of 36 months is fairly standard across London local authorities, although some do offer a longer period of 48 months.

That council assembly believes:

3. A well planned programme of this type of work across the borough would ensure that all required works are carried out with good notice, and scheduled so that leaseholders are able to make adequate provision and plan ahead financially over a number of years.
4. There have been an increasing number of examples however, of the council failing to achieve this. For example, the council may have to carry out emergency major works following health and safety issues identified in an inspection, or a fire safety notice has been served. In some cases, the programme of works has just been poorly planned.
5. This can and has resulted in several major works programmes taking place in one financial year on an estate, and is highly likely to cause considerable financial hardship to leaseholders. Many on fixed or low incomes are unable to meet the increased costs or able to plan ahead, and given the current state of the housing market, offsetting costs against equity is an increasingly unviable option.
6. The council, while acknowledging that circumstances, and the legal position, may differ from block to block and lease to lease, also believes that further information is required about the obligation of leaseholders to make contributions towards the remedying of fire safety defects.

That council assembly therefore requests cabinet:

7. That where exceptional circumstances occur, and the council is required to carry out more than one programme of major works on an individual estate in one financial year, the current repayment schedule of 36 months will be extended to 48 months so that those affected leaseholders are better placed to budget for the additional financial burden.
8. That when such a situation arises the council informs affected leaseholders this further option is available to them.
9. That definitive advice on leaseholder duties in respect of all types of request for contributions for remedying of fire safety defects be obtained.

Comments of the Strategic Director of Housing Services

To follow.

APPENDIX 3**Secondary School in SE16**

At council assembly on Wednesday 6 April 2011 a motion on a secondary school in SE16 was proposed by Councillor Rosie Shimell and seconded by Councillor Jeff Hook. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

Recommendation

1. That council assembly recognises the need for more secondary school places in SE16.
2. That council assembly notes that this administration has always been firmly committed to a new school in SE16 - and that this has consistently been reflected in the Canada Water Action Plan.
3. That council assembly notes that:
 - 1) The Labour government and the previous council administration agreed a programme of 12 Building Schools for the Future (BSF) schools in Southwark, including a brand new, 5 forms of entry (150 places per year group) school in Rotherhithe.
 - 2) In July 2010, the Secretary of State scrapped almost all the BSF programmes across the country, but told this council that Southwark's 12 schools were 'unaffected' by these changes – including schools in Phase 3 of Southwark's BSF programme.
 - 3) Last June the government asked the council to resubmit the borough's pupil place demand projections.
 - 4) In October 2010 Partnerships for Schools (an agency of the Department for Education) informed the council that programmes referred to as 'unaffected' in July would be subject to the Department for Education value for money review. Initially, reference was made to the Department for Education seeking savings of up to 40% across remaining BSF programmes nationally.
 - 5) In November 2010 the government wrote to the council saying that they were withdrawing the £19.6 million it had previously allocated for a new school in Rotherhithe. In the letter, however, the government said it considered there was a need for 2 forms of entry (60 places per year group) worth of places in the area. The letter from the Department for Education to the council said:

"It is not considered that a case can be made for the delivery of a new 5 form of entry secondary school in Rotherhithe at this time. As such the £19.6 million funding provisionally allocated to this project through the Stage 0 approval process in April 2010 will no longer be available to the Authority to deliver that proposal.

"The Department [for Education] considers that there is the need to establish 2 forms of entry of additional secondary places in the Rotherhithe area in the next five years. As such the Department will work alongside Southwark and PfS [Partnerships for Schools] to identify an alternative proposal for the delivery of these places."

- 6) To date the government has not confirmed how much funding the government will provide to the council for these extra places and when the council will receive it. Until the government confirms this, the council can not progress plans.
- 7) Last month a working level BSF spreadsheet, emailed from an official in Partnerships for Schools to an officer in the council, suggested that the government had still allocated the full £19.6 million to a new school in Rotherhithe. This was despite the fact that the government had formally told the council in November that it had withdrawn the funding.
- 8) As a result, the council wrote to the government demanding clarity on how much funding the council will receive for new secondary places in SE16. The letter said:

"The council has always maintained that, despite borough-wide figures, there is a specific need for additional places in Rotherhithe and our proposals for a new school responded both to this and the specific demand in Rotherhithe.

"I am writing to seek confirmation that we can now move forward....I hope you can advise without delay in order that I can progress, because we need to give certainty to local families."

4. That council assembly further notes that:
 - any suggestion in the media or otherwise that the council should 'welcome the government's funding for a new school in SE16 is based on a fundamental and complete misunderstanding of the situation
 - any suggestion in the media or otherwise that £10 million for new places may be available from the government does not match the facts as they are known to the council.
5. That council assembly supports the cabinet in its calls for the government to clarify how much funding is available for new secondary places in SE16.
6. That council assembly welcomes the cabinet's wish to work with stakeholders, including both the MPs for SE16, to find a solution to the need for places in the area.

Comments of the Strategic Director of Children's Services

To follow.

APPENDIX 4**Secure Tenancies**

At council assembly on Wednesday 6 April 2011 a motion on secure tenancies was proposed by Councillor Ian Wingfield and seconded by Councillor Gavin Edwards. The motion was agreed and motion stands referred to the cabinet as a recommendation.

Recommendation

1. That council assembly notes that Southwark is the largest local authority social landlord in London with 45,000 tenants and homeowners in the borough.
2. That council assembly notes the proposal in the Conservative/Liberal Democrat government's Localism Bill to end the right to a secure tenancy for council and housing association tenants, and restrict the rights of tenants to complain directly to the housing ombudsman.
3. That council assembly notes that Labour has tried to remove these provisions from the Localism Bill but that Liberal Democrat MPs voted with the Conservatives to keep them within the bill.
4. That council assembly regrets the government's proposal to issue fixed-term tenancies of just two years that will force tenants in Southwark to go through an assessment of their income and family circumstances after just eighteen months in their home which will act as a disincentive to get a better job, could force couples to leave their family home once their children leave home and do not include a right to improve homes or a right to pass on the tenancy to a child, live-in carers or siblings.
5. That council assembly is deeply concerned at the lack of clarity from the Tory-led government regarding the rights of existing social tenants in Southwark to a secure tenancy if they move to a new council or housing association property.
6. That council assembly also notes that along with their cuts to council house building, housing benefit and their plan to introduce rents of up to 80% of local market rents, and reduce funding for the decent homes programme, this is an attack on the fundamental principles of decent, secure and affordable public housing.
7. That in the circumstances council assembly praises the Southwark Labour administration's ambition to make every council home warm, safe and dry.
8. That council assembly calls upon the cabinet and the relevant cabinet members:
 - To lobby Simon Hughes MP to vote against this proposal in the House of Commons and not abstain
 - To seek clarification from the government regarding the proposals to force council tenants to move if their income increases.

Comments of the Strategic Director of Housing Services

Under the Localism Bill the government proposes to give local authority and housing association landlords the flexibility to offer, in addition to secure or assured tenancies, a new 'flexible tenancy', allowing landlords to offer some or all new tenants fixed term tenancies. The proposals apply to new tenants of social housing: existing council and Registered Provider tenants will generally be unaffected, even if they transfer or mutually exchange properties. However for those existing secure or assured tenants transferring to an 'Affordable Rent' property, it is proposed that landlords will have the discretion as to whether to offer a lifetime tenancy.

It is proposed that the minimum fixed term for flexible tenancies will be two years. However landlords will be free to offer longer terms, or retain lifetime tenancies should they wish.

The proposals for flexible tenancies allow for succession for spouses or partners, but give landlords the flexibility to grant whatever additional succession rights they choose.

The Bill also proposes to restrict access to referrals to the Housing Ombudsman to 'designated persons' only. For the purposes of the Bill, the following are identified as designated persons:

- a. A member of the House of Commons.
- b. A member of the local housing authority for the district in which the property concerned is situated, or
- c. A designated tenant panel for the social landlord.

The Government's proposals to charge rents at up to 80% of market rents (so called 'Affordable Rent') to new tenants of housing association (Registered Provider) new build homes, and a proportion of relets, could have a significant impact in boroughs such as Southwark. The borough has relatively high land values and low income levels (for example the median household income for council tenants was £9,100- Southwark Housing Requirements Study 2008). On the basis of these income levels, generally only those on Housing Benefit would be able to afford 'Affordable Rents'. However from April 2013 the Government intends to cap the maximum amount of benefit that households can claim at £500 per week for couples and lone parents and £350 per week for single people. This could cause severe financial hardship and the build up of rent arrears, increased homelessness, as well as increased overcrowding as families could be reluctant to move to larger homes with significantly higher rents.

Cabinet Priorities

At council assembly on Wednesday 6 April 2011 a motion on cabinet priorities 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 in just under a year of the Labour administration, despite the savage cuts from the Tory/Liberal Democrat government:
 - The administration's success in taking the regeneration of the Elephant & Castle forward, with progress on new leisure facilities
 - The administration has delivered a food waste recycling pilot, meaning that, where carbon would be produced through incineration and methane through landfill, fewer emissions are produced. It notes the planned reduction in the carbon produced by the council's estate
 - The cabinet's commitment to a new school in Rotherhithe. It notes that the government withdrew the Building Schools for the Future funding for a new school.

2. That the other following deliveries on the administration's commitments be noted:
 - Piloting free school meals and securing the finance for free meals in primary schools across the borough
 - Establishing a commission on reducing teenage conceptions
 - Cutting spending on special responsibility allowances by the same amount that they were increased by the Liberal Democrat/Tory administration
 - New safeguards on spending on consultants and the amount spent on them cut as a result
 - The most open budget process in the borough's history
 - All fire risk assessments of council homes now available to the public
 - New dedicated housing department created
 - Two air-quality monitoring stations reopened
 - Consulted with the voluntary sector on our care service charter of rights
 - Piloting a new dedicated phone line for queries about social care.

3. That the other following achievements in the administration's 2011/12 budget be noted:
 - Transition fund for voluntary sector, thought to be unique in London, and funding cushion for day care centres and lunch clubs
 - Youth fund to help young people in Southwark find work or stay on in education
 - Pay increase for the lowest paid council employees, despite a national pay freeze.

4. That council assembly believes that this administration delivers. It calls on the cabinet to put delivery at the core of the new council business plan.

Item No. 12.	Classification: Open	Date: 17 May 2011	Meeting Name: Cabinet
Report title:		161-179 Manor Place (odd), SE17 and 6 Stopford Road, SE17 - Acquisition of third party legal interests and subsequent disposal of the Council's freehold interest	
Ward(s) or groups affected:		Newington	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

This report proposes the sale of the council's offices at 6 Stopford Road and the Victorian terrace of shops and flats next to it at 161-179 Manor Place. To achieve this objective, it is necessary for the council to acquire the long leasehold on the flat at 161a Manor Place and to compensate the tenant of the newsagent/ off-licence at 161 Manor Place.

The receipt from the sale of the property would be split between the general revenue fund capital budget and the Housing Revenue Account capital fund. The sale will therefore contribute towards making every council home Warm, Dry and Safe and the works to be agreed in the new Ten-Year Capital Programme.

RECOMMENDATIONS

That the Cabinet

1. Approves the terms outlined in this report for the acquisition of the long leasehold interest in 161a Manor Place, SE17 including the payment of a basic loss payment and associated disturbance payments.
2. Approves the terms for the surrender of the lease of 161 Manor Place, SE17 by the business tenant and the compensation for the extinguishment of the business together with associated disturbance payments.
3. Authorises the Head of Property, once full vacant possession has been achieved, to market for sale the council's unencumbered freehold interest in 161-179 Manor Place, SE17 and 6 Stopford Road (the "Property"). The results of this marketing exercise to be brought to Cabinet for approval and further recommendation.

BACKGROUND INFORMATION

4. The council are the freeholders of the Property highlighted and edged in black on the attached Ordnance Survey extract at appendix 1. The Property comprises a terrace of nine Victorian shops and one post war infill retail unit with residential upper parts, together with a single storey 1990's built office and car park. The residential upper parts are all separately accessible from street level.
5. The single storey office building was originally built as the Walworth neighbourhood housing office and later became an area housing office. It is currently an operational council building occupied by the housing renewal team. This office building has already been identified as surplus to the council's requirements as part of the reorganisation arising from the council's Office accommodation strategy. This was approved by Cabinet on the 23 November 2010. Officers are actively seeking to relocate the council staff currently working there.
6. Nine of the shops are currently empty, many of them for a number of years. The council has not sought to relet these units, as leases have expired and they have become vacant, due to the deteriorating condition of the buildings and the poor tenant demand that exists in this tertiary retail locality. These empty buildings are blighting the immediate locality and the redevelopment or refurbishment of this council owned property is long overdue.
7. Some of the residential flats were let to Hyde Housing for the purposes of shortlife housing during the 1990's, these were handed back in 2003.
8. There are two remaining legal interests in the control of third parties encumbering the site. These are as follows:
 - 161 Manor Place, SE17, ("the Retail Property") is subject to a 5 year lease from 02 November 2003. These retail premises are occupied as a newsagent and off licence by the same tenant for in excess of 25 years. Although this lease has expired the tenancy benefits from continued protection afforded by the Landlord and Tenant Act 1954.
 - 161a Manor Place, SE17, ("the flat") – 125 years from 8 Nov 1999 at a ground rent of £10 per annum. This is a three bedroom maisonette arranged over two floors above the shop with its own private street level entrance.
9. The Retail Property and the Flat are highlighted and edged in red on the attached Ordnance Survey extract at appendix 2.
10. Following negotiations with the council the business tenant has agreed to surrender the lease of the Retail Property and in turn extinguish the business for an agreed sum plus an occupier's loss payment and a basic loss payment. In addition the council will pay the business tenant any allowable and justifiable costs that may arise as a result of this acquisition including reasonable professional fees and removals.

11. Likewise, the leaseholder of 161 Manor Place has agreed to surrender the long leasehold interest in the three bedroom maisonette for an agreed sum and additionally, the leaseholder is entitled to a basic loss payment. The council will also pay the leaseholder any allowable and justifiable costs that may arise as a result of this acquisition including reasonable professional fees and removals.
12. The rights to compensation and methods and procedures for assessing the correct amount are derived from what is commonly referred to as the "Compensation Code". This is made up of Acts of Parliament, case law and established practice. The principal Acts are the Land Compensation Acts of 1961 and 1973 and the Compulsory Purchase Act 1965. The sums agreed are in accordance with the principles established in the Compensation Code.
13. It is considered that the Property, free of any third party interests, presents an ideal development opportunity which will have a wide appeal to variety of developers, housebuilders and registered social landlords.
14. The Property will be offered for sale and placed on the open market when full vacant possession has been achieved.
15. The empty shop units have become occupied by squatters on a number of occasions. This has been dealt, on each occasion, but the empty buildings remain vulnerable to further illegal occupiers and as magnet for anti social behaviour. Despite robust actions to deter squatting, such as removal of the staircases, disconnection of services and the deteriorating nature of the buildings this has not prevented further illegal entry of unwanted occupiers. The risks associated with this Property will further increase when the Stopford Road office is finally vacated. There is therefore a pressing need to bring this Property to the marketplace and for onward redevelopment or refurbishment.
16. Authority to acquire property is delegated to the Head of Property in individual cases where the acquisition price is below £100,000 or less under 3P of the council's constitution. The cost of acquiring the long leasehold interest of the Flat will exceed this limit and Cabinet approval is therefore required.
17. Authority to sell is delegated to the Head of Property in individual cases where the sale price is below £500,000 or less under Part3P of the council's constitution. The sale price of this property will exceed this limit and Cabinet approval is therefore required.
18. The Property has been declared surplus to the council's requirements by the Strategic Director of Regeneration and Neighbourhoods.

KEY ISSUES FOR CONSIDERATION

19. Agreement to purchase the Retail Property has been reached with the leaseholder on the basis of compensation set out in the Land Compensation Act (as amended) which requires the local authority to purchase the property at a price based on market value.

20. The Head of Property considers that the proposed purchase price for the Flat is equal to current market value and that the compensation payments are fair and reasonable and in accordance with current legislation.
21. The Head of Property considers that the proposed costs of the lease surrender of the Flat and extinguishment of the business of the Retail Property are fair and reasonable and in accordance with current legislation.
22. It is considered that the Property, free of any third party interests, presents an ideal development opportunity which will have a wide appeal to variety of developers, housebuilders and registered social landlords.
23. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration requirements. The proposed sale of the Property, once full vacant possession has been achieved, will comply with these requirements.
24. Depending on the level of interest shown in the Property informal tender may be used to identify the highest bidder. However, if the Head of Property considers that another method of sale will yield a higher capital receipt, then he may revert to an alternative means of sale.
25. The sale of the Property to a housebuilder, developer or a registered social landlord should ensure that it is quickly brought back into beneficial use.
26. The empty deteriorating buildings are having a negative effect on the immediate neighbourhood. The redevelopment of the Property will have significant regenerative benefits for the local community including the likely provision of new housing across a range of tenures.
27. Acquiring authorities are always required, in the first instance, to seek to acquire land by agreement. Failure to reach agreement with the remaining tenant of the Retail Property and leaseholder of the Flat would require the council to seek the use of Compulsory Purchase Powers if it is to gain full vacant possession of the Property. This would be time consuming, costly and expose the council to further risk.

Policy implications

28. Cabinet approved the Asset Management Plan 2010 (AMP 2010), on the 14 December 2010, underpinning its aim of planning for a smaller sustainable operational estate. At the same meeting it also approved the objective of reducing the council's property estate by approximately 30% of its present size (excl. dwellings and schools). The eventual disposal of the Property, once full vacant possession has been achieved, will go some way to meeting these objectives.

29. The disposal of the property will generate a substantial capital receipt, which will be used to provide capital funding in support of the council's key priorities. This includes the provision, refurbishment and redevelopment of affordable housing. This assists the council in meeting its commitment to regeneration and sustainability in housing as demonstrated through the 2009-2016 Southwark Housing Strategy.
30. The environmental improvements arising from the redevelopment or refurbishment of the buildings on this site will assist the council in meeting its cleaner, greener and safer agenda.

Effect of proposed changes on those affected

31. The sale of properties within the HRA stock will have a negative impact on the number of council properties available to let. However, this will be offset by gains through the investment to retained stock, especially where decent homes have not yet been delivered.
32. The likely regeneration that will follow, as a result of this disposal, will benefit the wider community in this part of Walworth.
33. Increased investment into Southwark's stock to provide warm, dry and safe homes will have a positive impact on disadvantaged and minority communities, who are statistically more likely to be council tenants than the general population as a whole.

Community impact statement

34. Consultation around the acquisition of these third party interests and the decision to offer the Property for sale, once full vacant possession has been achieved, is thought not to be appropriate in this instance.
35. Any planning application to redevelop or change the use of any part of the Property will have to conform to the requirements of the Local development framework and will be subject to the statutory consultation process.
36. The acquisition of third party interests and subsequent disposal of the Property will not negate the council's Diversity and Equal opportunities policies.

Resource implications

37. Full details are set out in the closed report.
38. The acquisition and subsequent disposal will be dealt with by the council's Property Division. This will be resourced from existing budgets.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

39. Cabinet is recommended to approve the acquisition of the Retail Property and the Flat for the consideration set out in the closed report and payment of associated disturbance costs.
40. Cabinet is further recommended to authorise the Head of Property to market the Property for disposal once vacant possession is obtained, and the results of this exercise and recommendations for disposal of the Property being referred back to Cabinet for approval. The Surplus Declaration in relation to the Flat must be obtained before a report to dispose of the Property is referred to Cabinet.
41. Cabinet is advised that the council has power under Section 120 of the Local Government Act 1972 ("the 1972 Act") to acquire by agreement any land, whether situated inside or outside their area for the purposes of (a) any of their functions under the 1972 Act or any other act or (b) the benefit, improvement or development of their area. Further, the council may acquire land that is not immediately required for the purpose of the acquisition, and until it is required, the land may be used for the purpose of any of the council's functions.
42. Dispossessed owners are entitled to receive compensation payments for the loss of their properties and this is set out in the Compensation Code referred to in this report.
43. The council have the power to acquire the Retail Property and the Flat. Acquisition of land and property, outside any scheme already agreed by members, where the market value is more than £100,000 is reserved to Cabinet for collective decision making under Part 3C, paragraph 14 of Southwark's Constitution.

Finance Director (NR/R&N/13-4-2011)

44. This report recommends the acquisition of the long leasehold interest at 161a Manor Place, SE17, compensation for the extinguishment of the business at 161 Manor Place, SE17, and the subsequent disposal of properties at 161-179 Manor Place, SE17 and 6 Stopford Road SE17.
45. The disposal will be undertaken for best consideration, and a budget for the net costs of lease acquisition and subsequent disposal has been identified. The disposal of the freehold interest in the properties will support the key regeneration priorities of the council, as well as producing a substantial capital receipt for the council.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
161-179 Manor Place and 6 Stopford Road, SE17	Development Team, Property Division, 160 Tooley Street, SE1 2QH	Paul Davies on 0207 525 5529

APPENDICES

No.	Title
Appendix 1	OS plans, indicating the property
Appendix 2	OS plans, indicating 161 Manor Place

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Cabinet Member for Finance, Resources and Community Safety	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Paul Davies, Principal Surveyor	
Version	Final	
Dated	5 May 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director – Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		5 May 2011



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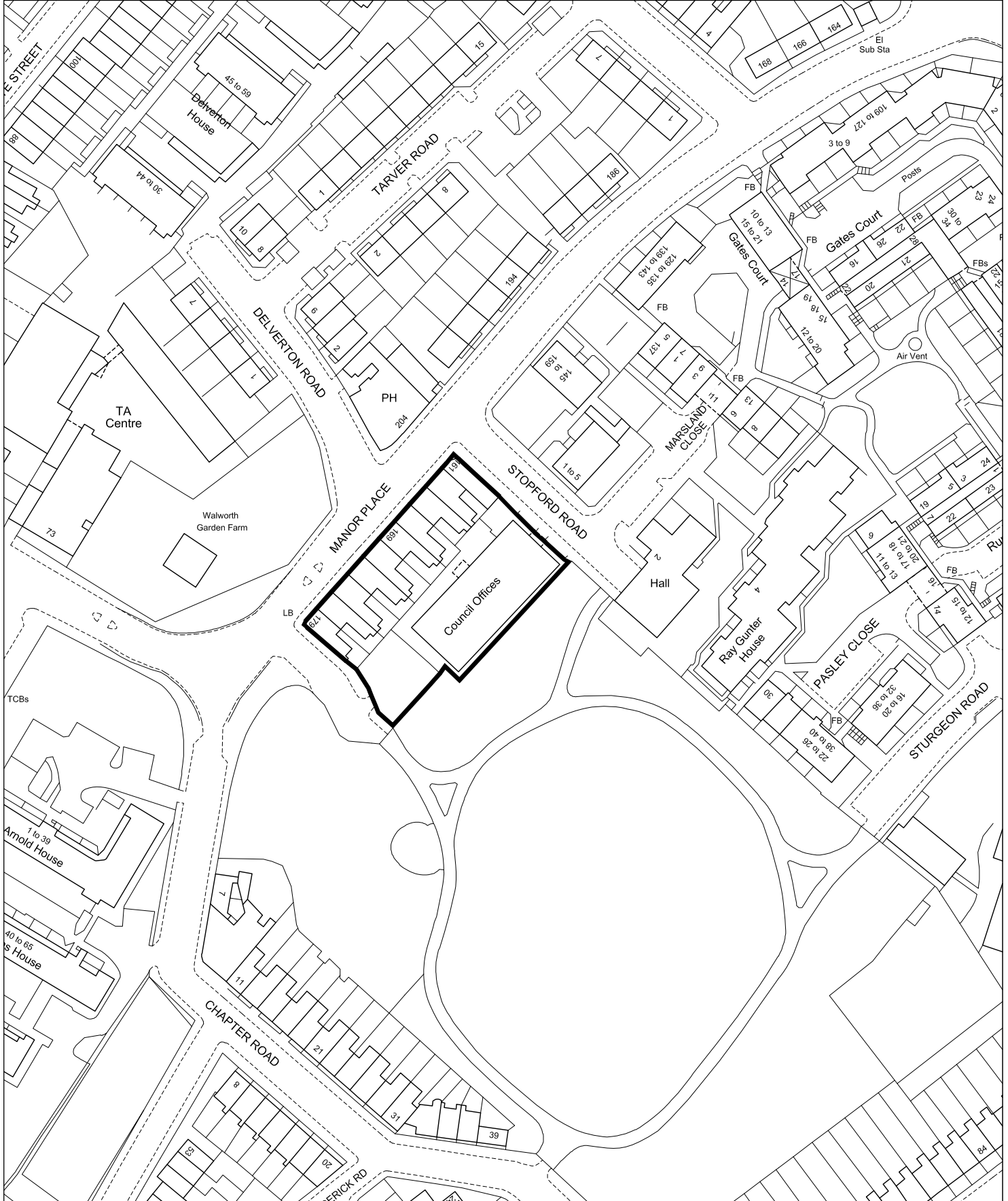
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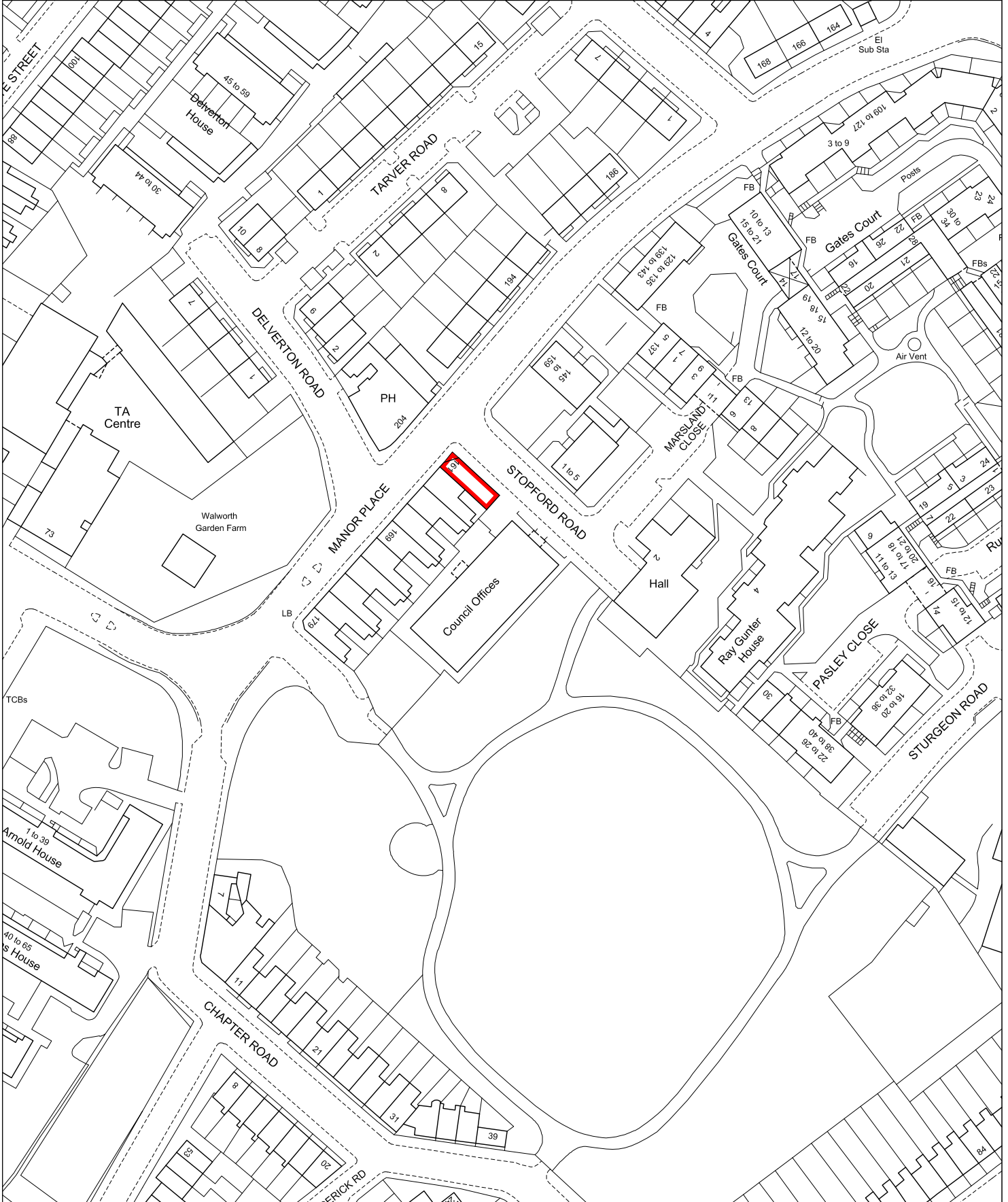
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Tessa Jowell, MP	1		
Simon Hughes, MP	1		
Corporate Management Team			
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Gill Davies	1		
Eleanor Kelly	1		
Gerri Scott	1		
Susanna White	1		
Duncan Whitfield	1		
Stephen Platts	1		
		Dated: 15 March 2011	