

Council Assembly Ordinary Meeting

Wednesday 6 July 2011

7.00 pm

Walworth Academy, 34 - 40 Shorncliffe Road, SE1 5UJ

Councillors are summoned to attend a meeting of the Council to consider the business contained herein

Annie Shepperd
Chief Executive

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

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

Babysitting/Carers allowances

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

Access

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

Contact

Lesley John on 020 7525 7228 or email: lesley.john@southwark.gov.uk;
sean.usher@southwark.gov.uk

Date: 24 June 2011



Council Assembly (Ordinary)

Wednesday July 6 2011
7.00 pm
Walworth Academy, 34 - 40 Shorncliffe Road, SE1 5UJ

Order of Business

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PART A - OPEN BUSINESS

1. PRELIMINARY BUSINESS

1.1. ANNOUNCEMENTS FROM THE MAYOR, MEMBERS OF THE CABINET OR CHIEF EXECUTIVE

1.2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE MAYOR DEEMS URGENT

1.3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

1.4. APOLOGIES FOR ABSENCE

1.5. MINUTES

To approve as a correct record the open minutes of the rearranged annual meeting of council assembly held on 24 May 2011 (to be circulated separately).

2. ISSUES RAISED BY THE PUBLIC

2.1. PETITIONS

To formally receive any petitions lodged by members of the council.

2.2. PUBLIC QUESTION TIME

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	<p>The deadline for public questions is Midnight, Thursday 30 June 2011.</p> <p>Questions can be emailed to democracy@southwark.gov.uk.</p> <p>Questions from the public will be distributed in a supplemental agenda.</p>	
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8. AMENDMENTS

Amendments will be circulated prior to the meeting.

ANY OPEN ITEMS IDENTIFIED AS URGENT AT THE START OF THE MEETING

EXCLUSION MOTION (IF NECESSARY)

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

“That under the access to information procedure rules of the Southwark constitution, 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 section(s) 1 – 7 of paragraph 10.4 of the procedure rules.”

ANY CLOSED ITEMS IDENTIFIED AS URGENT AT THE START OF THE MEETING

Date: 24 June 2011

Walworth Academy: Transport and map

Buses:

- 21 from Lewisham Centre to Newington Green/Mildmay Road
- 53 from Orchard Road/Griffin Road to Horse Guards parade
- 63 from Forest Hill Tavern to King's Cross Station/York Way
- 172 from Brockley Rise/The Chandos to King Edward Street
- 363 from Crystal Palace Parade to Lambeth Road
- 453 from Deptford Bridge to Great Central Street
- 168 from Royal Free Hospital to Dunton Way

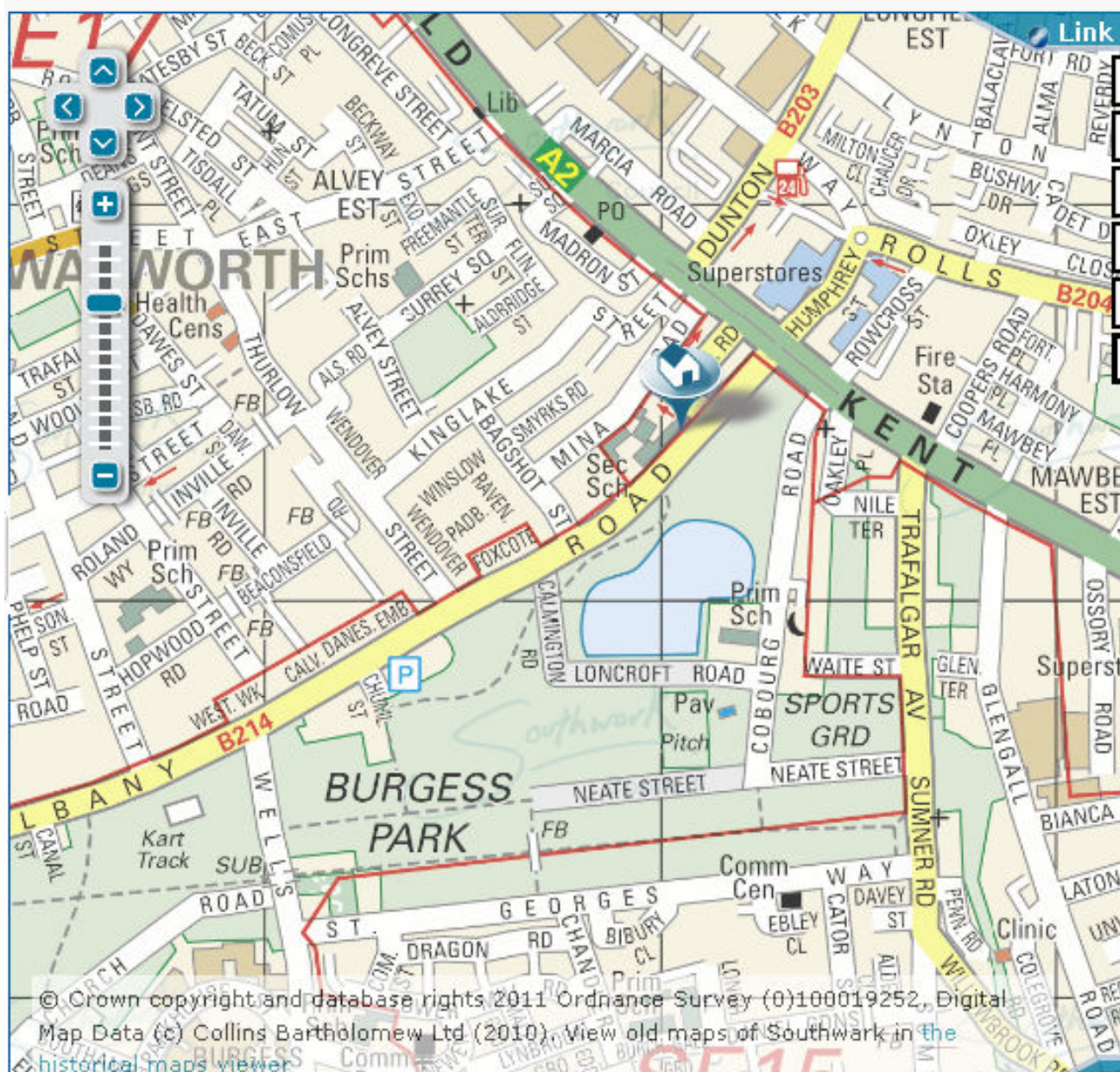
All stop at Dunton Way, on the Old Kent Road

78 from Shoreditch High Street to St Marys Road – stops at Humphrey Street

The following link is a map of all bus routes close to the venue:

<http://www.tfl.gov.uk/tfl/gettingaround/maps/buses/pdf/oldkentroad-11306.pdf>

Map of the venue and surrounding area:



Item No. 2.2	Classification: Open	Date: 6 July 2011	Meeting Name: Council Assembly
Report title:		Public Question Time	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

BACKGROUND INFORMATION

The deadline for public questions is Midnight, Thursday 30 June 2011.

Questions can be emailed to democracy@southwark.gov.uk.

Questions from the public will be distributed in a supplemental agenda.

PUBLIC QUESTIONS RECEIVED TO DATE

1. QUESTION FROM MICK BARNARD TO THE LEADER

Complaints about officers/members by members of the public are covered by the complaints procedure/standards committee respectively except in the case of the constitution with regards to abuse by officers.

Do you have any plans to close this loophole particularly when some councillors refuse to progress such a case?

Item No. 3.	Classification: Open	Date: 6 July 2011	Meeting Name: Council Assembly
Report title:		Themed Debate: Sports and Young People	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

BACKGROUND INFORMATION

Introduction

1. On 14 June 2011 Councillors Catherine McDonald cabinet member for children's services, and Councillor Veronica Ward cabinet member for culture, leisure, sport and the Olympics, circulated a letter to all councillors on the themed debate at the council assembly meeting on Wednesday 6 July 2011 at 7.00pm at Walworth Academy.
2. The letter set out the theme for debate and explained how councillors and members of the public could get involved. A copy is attached as Appendix A.

What happens at the meeting?

3. At the meeting the agenda will be:
 - Cabinet member has 10 minutes in which to present the theme, plan or strategy
 - Public pre-submitted questions on the theme of the meeting (maximum of 15 minutes)
 - Members' motions on the cabinet theme using present principles to allow sufficient political balance and for political groups to hold cabinet to account (maximum 30 minutes).

One hour shall be allocated for the themed debate. The Mayor shall have the discretion to vary timings as appropriate.

Public questions on themed debate

4. The deadline for public questions is Midnight, Thursday 30 June 2011. Visit www.southwark.gov.uk/democracy or email democracy@southwark.gov.uk to find out more.
5. The Mayor may reject a question if it is not relevant to the theme, plan, strategy or policy under discussion.
6. The time during which public questions shall be taken at a themed meeting shall not exceed 15 minutes and shall be conducted under the existing rules for public questions. Normal deadlines shall apply for the submission of questions from the public.

Members' motions

7. All motions shall be relevant to the topic under discussion and shall be conducted under the existing rules for members' motions. Normal deadlines shall apply for the submission of members' motions.
8. The order of motions and timings shall be determined by the Mayor.

Themes

9. The themes for each meeting are set by the council assembly business panel .

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet member letter on the theme - Dated 14 June 2011	160 Tooley Street London SE1 2QH	Constitutional Team constitutional.team@southwark.gov.uk 020 7525 7228

APPENDICES

No.	Title
Appendix A	Letter from Councillor Catherine McDonald and Councillor Veronica Ward

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager	
Report Author	Sean Usher, Constitutional Officer	
Version	Final	
Dated	23 June 2011	
Key decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer title	Comments sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	23 June 2011	

APPENDIX A



Southwark Council
Tooley Street, PO Box 64259
London SE1 5LX
Telephone 020 7525 7208
e-mail: @southwark.gov.uk

14 June 2011

Dear Councillor,

Themed Debate: Sports and Young People

In April 2011 we held our first themed debate on “The future for Southwark- rising to the community challenge”. This followed the work of the Democracy Commission last year which considered the council’s primary decision-making forum: council assembly. The commission found, through consultation with local residents, experts and councillors, that council assembly should have a more consensual atmosphere and should spend more time discussing the local issues that matter to residents. One of the recommendations it made to bring this about was to change the way assembly meetings work to allow time for themed debates on issues of local concern. The commission also recommended that council assembly meet in venues outside of the Town Hall.

We are pleased to formally announce that the second themed debate will take place as part of the next Council Assembly meeting **on Wednesday 6 July 2011 at 7.00pm in Walworth Academy, Shorncliffe Road, SE1 5UJ**. The theme is “Sports and Young People”.

The debate will focus on:

- Showcasing the talents and potential of young people in Southwark
- What sport means to young people, and the capacity of sport to open pathways to broader opportunities and achievements
- How different sectors and partners can work together at a time when budgets are tight to maximise provision and access to sport for young people.

The debate will provide valuable input towards a review of the council’s Sports Strategy which runs to 2013 but is up for review.

There are a wide range of issues affecting sports and the role of young people, some of which we have discussed recently but this debate gives us an opportunity to hear the views of our community and consider how to develop our plans for the future, for example around sports development and improving access to an participation in physical activity.

We would like to encourage all councillors to:

- Consider the theme at their community council meetings
- Speak in the debate
- Submit a motion.

Ahead of the meeting, we will also be asking residents and community groups to:

- Keep an eye on the website where they will be able to post their views, or even submit a question or raise a deputation at the July meeting from mid-June: www.southwark.gov.uk/democracy
- Attend Council Assembly on 6 July from 7.00pm at the Walworth Academy to hear the debate
- Submit a council question – Deadline: Midnight, Thursday 30 June 2011.

We think this is an exciting opportunity for you to have your say and directly influence the issues at one of our most important meetings. I look forward to your involvement in this important community debate. Please don't hesitate to get in touch with us if you have any questions or suggestions.

Yours faithfully

Councillor Catherine McDonald
Cabinet Member for Children's Services

Councillor Veronica Ward
Cabinet Member for Culture, Leisure,
Sport and the Olympics

Item No. 3.3	Classification: Open	Date: 6 July 2011	Meeting Name: Council Assembly
Report title:		Motion on the Theme: Sports and Young People	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

BACKGROUND INFORMATION

In accordance with council assembly procedure rules 2.7 (Themed debates) the members motions section of the themed meeting shall be a maximum of 30 minutes.

Members are limited to moving one motion and seconding one motion in the themed section of the meeting.

In accordance with council assembly procedure rule 2.7 (10) (order of motions and timings) the order in which motions are debated and timings shall be determined by the Mayor.

- MOTION FROM COUNCILLOR VERONICA WARD** (Seconded by Councillor Catherine McDonald)

Motion on Themed Debate

Achievements of Southwark's young people

- Council assembly recognises and celebrates the achievements of Southwark's children and young people; their sporting achievements; their improving attainment including record GCSE results; their contribution to the arts especially music and drama and their contribution to our communities.
- We note that this administration's support for young people includes free healthy school meals for primary school children, keeping all our children's centres open, setting up a £3 million Youth Fund and setting up a Teenage Pregnancy Commission. This council also notes the investment put into our leisure centres and this administration's commitment to a leisure centre at the Elephant and Castle and to a continuation of community games despite financial constraints.
- Council assembly believes that sports can make a significant difference to the lives of young people and that it delivers a wide range of benefits, from improving young people's health to encouraging team working and embedding discipline. It is a core offer for all our young people, as well as an important element of our targeted interventions for vulnerable young people.
- Council assembly notes the significant reductions in funding for sports made by government:
 - Withdrawal of free school swimming
 - Withdrawal of funding to the School Sports Partnership

- Withdrawal of funding available to the council and to national sporting bodies to support community led sport.
5. It believes that despite these cuts it is vitally important that the council continues to ensure that young people in Southwark have access to sport and sporting opportunities.
 6. Council assembly notes the focus of the debate as outlined to all councillors in advance:
 - Showcasing the talents and potential of young people in Southwark
 - What sport means to young people, and the capacity of sport to open pathways to broader opportunities and achievements
 - How different sectors and partners can work together at a time when budgets are tight to maximise provision and access to sport for young people.
 7. Council assembly believes that securing future sporting opportunities in Southwark require the following questions to be discussed:
 - How can the council continue to ensure that young people have access to sport and sporting opportunities, with little direct funding, by working with the voluntary, community, educational and private sectors?
 - How can the council work to make sure that all resources available for sport, both facilities and available funding, are maximised across all departments and communities?
 - What are the most effective ways that the council can use its limited resources to encourage young people to get involved in sport?
 8. Council assembly calls on the cabinet to note the content of the debate and points raised to feed into a review of the council's sports strategy which runs to 2013.

Note: If the motion is agreed, any proposals will be submitted to the cabinet for consideration.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Member Motions on the Themed Debate	Constitutional Team 160 Tooley Street London SE1 2QH	Sean Usher 020 7525 7222

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager
Report Author	Sean Usher, Constitutional Officer
Version	Final
Dated	23 June 2011

Agenda Item 4.1

Item No. 4.1	Classification: Open	Date: 6 July 2011	Meeting Name: Council Assembly
Report title:		Members' Question Time	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

BACKGROUND INFORMATION

Members' question time shall not exceed 30 minutes. During this time, members may not question any one cabinet member or committee chair for longer than fifteen minutes.

Members are limited to one question at each meeting. One councillor from each community council will be able to submit a question on behalf of their community council.

Questions to the leader will be taken first, followed by question from community council councillors followed by questions to other cabinet members. The order in which the different political groups ask questions of the leader will be rotated. Questions to cabinet members will be taken in the order of receipt and portfolio. The order of portfolios will be rotated at each meeting such that the cabinet member answering questions immediately after the leader will be the last cabinet member to answer any questions at the next meeting of council assembly.

Cabinet members and committee chairs have discretion to refer a question to another cabinet member.

Responses to member's questions will be circulated on yellow paper around the council chamber on the evening of the meeting.

The Mayor will ask the member asking the question if they wish to ask one supplemental question to the member to whom the question was asked. The supplemental question must arise directly out of the original question or the reply. Therefore, supplemental questions to the leader or other cabinet members are not free ranging.

No question shall be asked on a matter concerning a planning or licensing application.

Notes:

1. The procedures on members questions are set out in council assembly procedure note 2.9 in the Southwark Constitution.
2. In accordance with council assembly procedure rule 2.9 (12) & (13) (prioritisation and rotation by the political groups) the order in which questions to the leader appear in this report may not necessarily be the order in which they are considered at the meeting.

1. QUESTION TO THE LEADER FROM COUNCILLOR NEIL COYLE

What are the leader's views on the calls to further delay the regeneration of Elephant and Castle shopping centre?

2. QUESTION TO THE LEADER FROM COUNCILLOR ANOOD AL-SAMERAI

Does the leader agree that the community should be actively involved in managing local spaces and facilities?

3. QUESTION TO THE LEADER FROM COUNCILLOR RENATA HAMVAS

Has the leader had any parental feedback regarding the council's roll-out of free, healthy, school meals?

4. QUESTION TO THE LEADER FROM COUNCILLOR TIM MCNALLY

Please can the leader provide the number of decisions which were called in for each year since the introduction of overview and scrutiny?

5. QUESTION TO THE LEADER FROM COUNCILLOR HELEN HAYES

Does the leader believe the roll out of food waste recycling across the borough will help the council meet its pledge to double the borough's recycling rates?

6. QUESTION TO THE LEADER FROM COUNCILLOR DAVID HUBBER

Can the leader tell me whether he would consider extending the plans for harnessing power from SELCHP to estates in Surrey Docks ward?

7. QUESTION TO THE LEADER FROM COUNCILLOR HELEN MORRISSEY

How much have overview and scrutiny committee meetings to consider call-ins cost the council in the last year? (Please itemise by meeting).

8. QUESTION TO THE LEADER FROM COUNCILLOR GRAHAM NEALE

To ask the leader, how many parking tickets have been issued by post at The Blue, Southwark Park Road in the last 12 months? How many of these were as a result of the use of surveillance cameras? Have any been challenged successfully?

9. QUESTION TO THE LEADER FROM COUNCILLOR PATRICK DIAMOND

Has the introduction of deputy cabinet members been beneficial to the work of the council?

10. QUESTION TO THE LEADER FROM COUNCILLOR JONATHAN MITCHELL

If we are waiting for the Democracy Commission report before any savings have been made to community councils, why were the number of regular community council meetings reduced to six for 2011/12?

11. QUESTION TO THE LEADER FROM COUNCILLOR KEVIN AHERN

Why does he think Labour was able to increase its majority in The Lane by-election?

12. QUESTION TO THE LEADER FROM COUNCILLOR ROSIE SHIMELL

A decision was taken by the cabinet member for children's services to reduce council funding for teenage conceptions prevention by 54% in March 2011 because "allocations in previous years overanticipated levels of need and have been underspent by over £150,000." Does the leader think the excellent recommendations of the Teenage Pregnancy Commission require more funding than previous years? Does he think the good work of the commission will not be fully implemented because of this disproportionate cut?

13. QUESTION TO THE LEADER FROM COUNCILLOR CLEO SOANES

Southwark is being forced to find £500,000 of savings to its library services budget because of the cuts from central government. A library review is promised. What is planned to ensure maximum involvement of residents in this review and that all possible options are considered so that closure is a last resort?

14. QUESTION TO THE LEADER FROM COUNCILLOR JAMES BARBER

Can the leader please state the specific increase in unallocated reserves and contingency funds so far this year?

15. QUESTION TO THE LEADER FROM COUNCILLOR NICK DOLEZAL

At the Southwark Pensioner's Parliament it was highlighted that the number of podiatrists at Guys and St Thomas Hospital has been reduced from 25 to 12 since the start of the financial year. Is this the first example of the Tory and Liberal Democrats' disastrous NHS reorganisation impacting upon NHS services in Southwark?

16. QUESTION TO THE LEADER FROM COUNCILLOR DENISE CAPSTICK

Please can the leader give an update on the Southwark Park Athletics Track?

17. QUESTION TO THE LEADER FROM COUNCILLOR LINDA MANCHESTER

How many hours a week did the deputy leader work outside his cabinet position in 2010/11? How many will he be working in 2011/12?

18. QUESTION TO THE LEADER FROM COUNCILLOR JEFF HOOK (ROTHERHITHE COMMUNITY COUNCIL)

Now we have confirmation of the exact amount of the New Homes Bonus, will the leader look again into keeping open the Pumphouse in Rotherhithe?

19. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR LINDA MANCHESTER (BERMONDSEY COMMUNITY COUNCIL)

Can the security works on the Four Square Estates be done any earlier?

20. QUESTION TO THE CABINET MEMBER FROM COUNCILLOR PODDY CLARK (BOROUGH & BANKSIDE COMMUNITY COUNCIL)

Please could the cabinet member give details of all council owned land in Borough and Bankside that has been sold since June 2007, and how much of that land was sold to provide affordable housing?

21. QUESTION TO THE CABINET MEMBER FOR CHILDREN'S SERVICES FROM COUNCILLOR CLEO SOANES (PECKHAM COMMUNITY COUNCIL)

Peckham Community Council recently held a youth themed meeting entitled "Peckham's got Talent" celebrating the achievements of our young people. Could you outline the council's current programme for engaging young people/empowering them to take part in the decision making process about their services?

22. QUESTION TO THE CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING FROM COUNCILLOR VICTORIA MILLS (NUNHEAD AND PECKHAM RYE COMMUNITY COUNCIL)

Following traffic and road changes in the Pomeroy Street and Kender Road Triangle area, how is the cabinet member working with Transport for London and counterparts in Lewisham to review that the new schemes are successfully combating traffic congestion in this area?

23. QUESTION TO THE CABINET MEMBER FOR CULTURE, LEISURE, SPORT AND THE OLYMPICS FROM COUNCILLOR NORMA GIBBES (CAMBERWELL COMMUNITY COUNCIL)

Residents in Camberwell have waited a long time for Camberwell Baths to be fully refurbished. Can the cabinet member for culture, leisure, sport and the Olympics confirm that the council will complete phase 2 refurbishment, including the gym, dayside changing facility and Warwick Hall, this year?

24. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY FROM COUNCILLOR MARTIN SEATON (WALWORTH COMMUNITY COUNCIL)

There can be no doubt that the regeneration of the Elephant & Castle shopping centre is absolutely central to the transformation needed in the Walworth area. After 8 years of dither and delay from the Liberal Democrats, how will the cabinet member for regeneration and corporate strategy ensure that residents in Walworth see the change to the shopping centre which they have been calling for?

25. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR GAVIN EDWARDS

Will he provide an update on Southwark's housing investment programme and revised housing strategy?

26. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR DARREN MERRILL

What were the criteria on the scheduling of the works programme to bring all homes to a warm, dry and safe standard?

27. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR MARK WILLIAMS

On 6 October 2010 Southwark News printed a letter from Councillor Al-Samerai, regarding the unfinished security works on the Four Squares Estate stating "The previous executive allocated £8 million for security works and at no point made a decision not to complete the work because of overspend." Since then, Southwark's housing and community safety scrutiny sub-committee has investigated the unfinished works and concluded: "No formal decision was ever made by the previous Executive to allocate money specifically to the Four Squares Security Works" and "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." Is he surprised that Councillor Al-Samerai has made such potentially misleading comments in the local press in an apparent attempt to divert attention from the last administration's failure to monitor and direct decisions made by senior officers?

28. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR ROWENNA DAVIS

What impact will the Localism Bill – and especially the proposals regarding flexible tenancies – have on council and housing association tenants in Southwark in the future?

29. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR ALTHEA SMITH

Will he provide an update on the restructuring of the housing department?

30. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR SUNIL CHOPRA

Can the cabinet member for housing management provide an update on why 14,000 rent incorrect statements were issued to Southwark Council tenants?

31. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR MICHAEL BUKOLA

Following Ed Milliband's speech on 11 June 2011, does the deputy leader and cabinet member for housing management agree that people who are unemployed should not be given social housing? Will he be including this when he sets his own social tenure policy?

32. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR PODDY CLARK

In view of the closure of the Long Lane Housing Office, can I have the cabinet member's reassurance that the proposed mobile housing office will be in place prior to its closure and how will he inform residents and councillors of Chaucer ward?

33. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR DAVID NOAKES

Please can the cabinet member provide the number of estates that will receive warm, dry and safe works a) before 2014/15 and b) including and after 2014/15? Please can he provide a breakdown by community council area?

34. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR LISA RAJAN

What is being done to tackle anti-social behaviour, including vandalism and even arson, in the communal areas of the Osprey Estate in Surrey Docks ward?

35. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR ADELE MORRIS

Please can the cabinet member provide site specific details for all council homes sold in the last ten years, detailed by bed size and type of property? Please can he provide a breakdown by ward?

36. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR GEOFFREY THORNTON

Can the cabinet member comment on the practice of accepting in-lieu payments from developers in place of affordable housing being built?

37. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR NICK STANTON

Now that Southwark is in charge of its own social tenure policy, can the deputy leader and cabinet member for housing management please outline his plans for consulting with local residents and tenants and residents associations?

38. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR PAUL NOBLET

Can the deputy leader and cabinet member for housing management tell me whether district heating boilers and connecting ducts will be included in the five year housing investment programme?

39. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR MARK GETTLESON

Please can the deputy leader and cabinet member for housing management please give an update on the progress of giving housing priority for ex-service men and women in Southwark?

40. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR ELIZA MANN

Will tenant management organisations be warm, dry and safe by 2014?

41. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR PAUL KYRIACOU

Please can the deputy leader and cabinet member for housing management confirm what date the works on the Manor Estate will commence?

42. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR COLUMBA BLANGO

Now that Southwark is free to determine its own social tenure policy, please will the deputy leader and cabinet member for housing management confirm whether he will choose to give all new tenants life time tenancies?

43. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR CLAIRE HICKSON

How can people in my ward and the rest of the borough find out when they can expect decent homes work to be carried out on their estate or street?

44. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR MARTIN SEATON

What does the cabinet member for housing management make of reports in Southwark News that, under the government's new affordable rent model, council tenants on the Aylesbury would need a household income of £50,400 for a two bedroom council house?

45. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR NORMA GIBBES

Can he outline the council's efforts to prevent housing benefit fraud and to improve accountability and fairness in the system?

46. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR CATHERINE BOWMAN

Can the deputy leader and cabinet member for housing management account for the sudden increase in parking enforcement activity on the Brandon Estate as of March this year?

47. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR LEWIS ROBINSON

Can the cabinet publish the total amount of public money spent on new signage on council estates in College ward since May last year?

48. QUESTION TO THE CABINET MEMBER FOR EQUALITIES AND COMMUNITY ENGAGEMENT FROM COUNCILLOR MICHAEL SITU

Can the cabinet member of equalities and community engagement provide an update on Southwark's transition fund, what was the publicised aim of the fund and how many voluntary organisations applied for the 1st round?

49. QUESTION TO THE CABINET MEMBER FOR EQUALITIES AND COMMUNITY ENGAGEMENT FROM COUNCILLOR DAN GARFIELD

How many voluntary organisations were successful in applying for the transition fund, how many organisations appealed following an unsuccessful application and how many appeals were successful?

50. QUESTION TO THE CABINET MEMBER FOR EQUALITIES AND COMMUNITY ENGAGEMENT FROM COUNCILLOR VICTORIA MILLS

Can the cabinet member give clear assurance that no decisions have been taken regarding the savings required in the community council budgets and that the Democracy Commission will investigate all possible options for making the £344,000 savings and ensure that the views of members, community councils and local residents are heard?

51. QUESTION TO THE CABINET MEMBER FOR EQUALITIES AND COMMUNITY ENGAGEMENT FROM COUNCILLOR MARK GLOVER

What role has and will be taken by the council's 'critical friend' in responding to cuts to voluntary sector funding?

52. QUESTION TO THE CABINET MEMBER FOR CULTURE, LEISURE & SPORT AND THE OLYMPICS FROM COUNCILLOR THE RIGHT REVD EMMANUEL OYEWOLE

How can we ensure that Black History Month is appropriately celebrated in Southwark?

53. QUESTION TO THE CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE FROM COUNCILLOR ROBIN CROOKSHANK HILTON

Can the cabinet member state how much the Holmhurst Day Centre is valued by our property department and how much a sale of the property could be expected to release?

Please can she provide a breakdown of operating and maintenance costs for the grounds and property?

54. QUESTION TO THE CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING FROM COUNCILLOR ANDY SIMMONS

Could the cabinet member for transport, environment and recycling please provide the amount spent by the council on highways and pavements major works since May 2006 for each ward, broken down by funding source?

55. QUESTION TO THE CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING FROM COUNCILLOR JEFF HOOK

What is the cabinet member for transport, environment and recycling doing to stop the rat running that occurs through the estates from Jamaica Road through the estates of Riverside and Rotherhithe?

56. QUESTION TO THE CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING FROM COUNCILLOR WILMA NELSON

What is the cabinet member for transport, environment and recycling's intentions for the future of the street leader scheme?

57. QUESTION TO THE CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING FROM COUNCILLOR MICHAEL MITCHELL

Would the cabinet member for transport, environment and recycling please set out:

(a) the current policy on assessing the merits of, and deciding upon, the provision of short-term free parking bays to assist shoppers and traders in shopping parades in areas within controlled parking zones, with particular reference to flexibility with regard to the time permitted for free parking; and

(b) any proposals he may have for improving and/or localising decision-making in this regard?

58. QUESTION TO THE CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING FROM COUNCILLOR TOBY ECKERSLEY

Would the cabinet member for transport, environment and recycling please explain the circumstances, if any, in which the council will designate a "disabled" bay for a specific vehicle, with particular reference to bays in controlled parking zones?

Item No. 4.2	Classification: Open	Date: 6 July 2011	Meeting Name: Council Assembly
Report title:		Motions	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

BACKGROUND INFORMATION

The councillor introducing or “moving” the motion may make a speech directed to the matter under discussion. This may not exceed five minutes¹.

A second councillor will then be asked by the Mayor to “second” the motion. This may not exceed three minutes without the consent of the Mayor.

The meeting will then debate the issue and any amendments on the motion will be dealt with.

At the end of the debate the mover of the motion may make a concluding speech, known as a “right of reply”. If an amendment is carried, the mover of the amendment shall hold the right of reply to any subsequent amendments and, if no further amendments are carried, at the conclusion of the debate on the substantive motion.

The Mayor will then ask councillors to vote on the motion (and any amendments).

IMPLICATIONS OF THE CONSTITUTION

The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and allocates to the cabinet responsibility for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis. Therefore any matters that are reserved to the cabinet (i.e. housing, social services, regeneration, environment, education etc) cannot be decided upon by council assembly without prior reference to the cabinet. While it would be in order for council assembly to discuss an issue, consideration of any of the following should be referred to the cabinet:

- to change or develop a new or existing policy
- to instruct officers to implement new procedures
- to allocate resources.

Note: In accordance with council assembly procedure rule 2.10 (7) & (8) (prioritisation and rotation by the political groups) the order in which motions appear in the agenda may not necessarily be the order in which they are considered at the meeting.

¹ Council assembly procedure rule 1.14 (9)

1. MOTION FROM COUNCILLOR ROSIE SHIMMELL (Seconded by Councillor Michael Bukola)

Please note that, in accordance with council assembly procedure rule 2.10 (6), council assembly shall consider this motion.

Homes for Families

1. Council notes the important role that good quality housing plays in shaping the future health, happiness and well-being of young people in our borough.
2. Council requests that cabinet considers affirming that it will not approve the sell off of any council estates to private sector or registered social landlords.
3. Council further calls on cabinet to agree to review within no more than twelve months the geographical, social and demographic impact of its recent policy change to reduce the threshold for selling off empty properties to permit the sale of properties worth more than £300,000.

Note: If the motion is agreed, any proposals will be submitted to the cabinet for consideration.

2. MOTION FROM COUNCILLOR IAN WINGFIELD (Seconded by Councillor Gavin Edwards)

Please note that, in accordance with council assembly procedure rule 2.10 (6), council assembly shall consider this motion.

Southwark's Housing Investment Programme

1. Council assembly welcomes the council's key pledge to make every home in Southwark warm, dry and safe by 2014-2015.
2. Council assembly also welcomes the council's proposed new housing investment programme of major works to the value of £326.5m over the next 5 years which will ensure that the council's homes meet the government's decent homes standard and the reestablishment of a separate housing department.
3. Council assembly regrets the previous administration's wasteful and inefficient housing programme which created uncertainty among tenants and leaseholders about when their decent homes works would be done; was based on a commitment that could never be delivered within the funding available to the council and did not offer a solution for all of the council's housing stock or meet central government requirements.
4. Council assembly also regrets that the Conservative/Liberal Democrat government has cut Southwark's housing revenue account by nearly £7 million this year, has only provided half the amount of decent homes funding that was bid for and that the allocation is back-ended in the final two years.
5. Council assembly notes that Southwark's housing revenue account will face a deficit as a result of Conservative/Liberal Democrat government cuts.
6. Council assembly calls on the cabinet and relevant cabinet members:
 - a) To ensure that all of the council's homes are made warm, dry and safe by 2014-15.
 - b) To develop a longer-term sustainable strategy for our housing stock.

- c) To look at ways to maximise the level of resources available for investment, including savings through new major works contracts, limited disposal of voids, external funding sources and self-financing regeneration options.

Note: If the motion is agreed, any proposals will be submitted to the cabinet for consideration.

3. MOTION FROM COUNCILLOR JEFF HOOK (Seconded by Councillor Paul Noblet)

Please note that, in accordance with council assembly procedure rule 2.10 (6), council assembly shall consider this motion.

Protecting Southwark Park

4. Council emphasises the significant environmental, social and community value of the green spaces in our borough.
5. Council notes with regret and concern the suggestions over the last year for tunnels, holes and pipes in Southwark Park.
6. Council and the cabinet clearly state to UK Power Networks that Southwark Park is not a suitable site for their proposals.
7. Councillors and the cabinet work with UK Power Networks to find an alternative brownfield site for their proposals.

Notes:

1. In light of pre-application planning advice given by the council on this matter, the monitoring officer has advised that consideration by council assembly of paragraph 3 of the motion could lead to the council appearing to have predetermined the outcome of the planning process. For similar reasons, in paragraph 2 the words "regret and concern" should also be omitted. The movers of the motion have asked that the motion be published in its submitted form. In order to avoid any predetermination, the monitoring officer advises that members of the planning committee (including reserves) should leave the room and not participate in the debate or voting on this motion.
2. If the motion is agreed, any proposals will be submitted to the cabinet for consideration.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Member Motions	Constitutional Team 160 Tooley Street London SE1 2QH	Sean Usher 020 7525 7222

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager
Report Author	Sean Usher, Constitutional Officer
Version	Final
Dated	22 June 2011

Item No. 5.1	Classification: Open	Date: 6 July 2011	Meeting Name: Council Assembly
Report title:		Council Plan	
Ward(s) or groups affected:		All	
From:		Cabinet	

RECOMMENDATION

1. Cabinet recommends this report that makes up the Council plan, noting the fairer future promises, to Council Assembly for adoption.

PUBLISHING THE COUNCIL PLAN

2. This year, the Council is taking a significantly different approach from the development of previous Council-wide plans (known before as 'corporate' or 'best value' plans). The intention is to publish the plan exclusively on the web, making it universally accessible to residents, service users and key stakeholders. This means that there is no specific document entitled 'the Council plan'. Rather, this report describes the key information that will be communicated through the Council's website.

BACKGROUND INFORMATION

3. In June 2010, Cabinet set out its vision for Southwark. A Fairer Future for All in Southwark established a number of commitments that described the changes that the Cabinet wished to achieve. This vision for Southwark guides the Council's approach.
4. During the autumn of 2010, the Cabinet began the process that led to the agreement of a balanced budget for 2011-12, with indicative budgets for 2012-13 and 2013-14. The Cabinet produced its Principles for Budget Setting, which formed a commitment to adopting a transparent, consultative approach to setting that budget, supported and informed by Equality Impact Assessments. The budget was set on 24 February 2011, which represented the culmination of that process. This report now sets out the key promises and actions that will be delivered over that budget period.
5. The Council plan has been developed alongside the Medium Term Resources Strategy (MTRS) 2011-14, which is made up of strategies for finance, procurement, information technology, assets, workforce and the Council's relationship with the voluntary sector. The MTRS provides a solid and coherent resource framework in which the Council can plan its future business. The MTRS is being considered elsewhere on the agenda and will be noted alongside the Council plan report at Council Assembly on 6 July 2011.
6. A further important component that has informed development of the plan has been the Council's first themed debate, which took place on 6 April 2011. Themed debates are a new concept arising from a recommendation from the Council's Democracy Commission. In themed debates, Council Assembly spends time discussing local issues that matter most to residents. The first themed debate

centred on issues relating to the future of Southwark.

7. At that debate, the Cabinet Member for Regeneration and Corporate Strategy identified three areas of focus for the Council in the medium term:
 - Exploring opportunities to share services with other organisations, being sensitive to the complexity in reaching such agreements but also to benefit from substantial financial and service quality outcomes that sharing services realises;
 - Improving how different services work together for individuals and families, particularly for those who are engaged with a number of different services at the same time; and
 - Creating opportunities for working with local communities in the design and delivery of new or existing services and providing the chance for the community to deliver local services where this is possible.

Each of these areas, alongside ideas generated from the discussion at the themed debate, will be represented in the Council plan.

8. A draft version of the Cabinet report on the Council plan and draft schedules were considered by the Overview and Scrutiny Committee at its meeting on 13 June 2011. The Overview and Scrutiny Committee put forward the following recommendations for consideration by Cabinet:
 - That officers and the relevant cabinet member go through the schedule of targets to ensure consistency, accuracy and meaningfulness.
 - That the cabinet be asked to provide greater clarity in respect of monitoring arrangements for delivering the key performance indicators outlined in the plan, including mechanisms for notification of updates and ensuring an easy and accessible format.
9. Following the Overview and Scrutiny Committee meeting, Cabinet has revisited the schedules, which are attached to this report (Appendices A-I), and has included within this report a description of monitoring arrangements (paragraph 92).
10. Cabinet considered the Council plan report at its meeting on 21 June 2011.
11. Over 2010-11, there were also a number of changes to external requirements on the Council, particularly from central government, that have guided previous Council plans (or 'corporate plans'). Many of these external requirements have been revoked by central government so the Council has greater flexibility than in previous years to assemble this plan to suit its own circumstances.
12. The Council is presenting this plan through the Council's website, rather than as a physical document. This provides many advantages including reduced cost, the ability to keep web pages up to date, and provision of a ready point of access to information. There is therefore no separate document attached to this report as the content from this report will describe the Council plan as presented on the website.

INTRODUCTION FROM THE LEADER

13. It is with immense pride as Leader of the Council that my Cabinet colleagues and I bring forward this Council plan. It is our promise of what we will deliver as a Council, and outlines a new relationship between the Council and our residents, built on trust, openness and transparency in all we do.
14. The biggest challenge facing every local authority at this time is dealing with the unprecedented cuts to our grant from the government. We know that, given the levels of deprivation in Southwark, the cuts to our budget will affect our borough more than others.
15. The Council does not wish to make these cuts, but now that we have been presented with this challenge we will face it so that Southwark Council can continue to provide high quality public services to the residents of our borough and deliver our ambition of creating a fairer future for all in Southwark.
16. It was important that we set a three year budget, so we took a longer strategic view. This required some very tough decisions, but it also means that we are not facing agonising choices year after year and helps people understand what is coming next.
17. Because of our tight control on the budget situation we can say that as a council there are three main challenges for us to deliver in 2011/2012:
 - Implementing the budget
 - Delivering on our promises
 - Investing in the future by starting to make every Council property warm, dry and safe.
18. Delivering in these three areas will be hugely challenging. That is why we want to have a new relationship with our citizens and our customers. A relationship where playing our community leadership role does not mean that the Council continues to provide all the services it has in the past.
19. We want to build strong bonds of trust between the Council and the community we serve. This trust will be built upon openness, transparency and delivering on our promises. It is also dependent on defining a new relationship with those we serve.
20. At the moment people often see the Council as their first point of contact. But we must all ask ourselves if this is always the best or right route. It may be that community or voluntary groups can deliver a better service than other local statutory organisations, including the Council.
21. For example, we have to find big savings on libraries and we will be wanting to know what local groups can offer to help make some significant savings whilst keeping those things that people value most about the service.
22. That's why the Council's role will increasingly change from being the first point of contact to becoming a strong guiding and helping hand, using our unique community leadership role to encourage others to come together to do more.
23. We are guided by our principles and will always support and champion the most vulnerable in our borough. This will never change. But we now look outwards to the community to provide solutions to many of the issues we face together, rather than always looking inwards at the increasingly limited offer from the Council.

24. Beyond the impact of the cuts, there's a more fundamental question about what the Council does and how we work with the voluntary and community sector more effectively. We have some of the most able people in the country working as volunteers, pioneering new ideas to support people to live better quality lives. For example, Southwark Circle has been a highly innovative idea, with people helping to make a big difference to each other's lives. We want to make the most of people's talents, harnessing the commitment and support across our vibrant voluntary and community sector to make an even greater difference.
25. For instance, with some of the day centres and lunch clubs we've been supporting financially in the past, we will have to work differently with providers to find ways of maintaining the support that is needed in an affordable way.
26. And with the cleaner, greener, safer programme there could be a role for community groups in not only coming up with great ideas but also delivering them.
27. The skyline of the borough is changing at an incredible rate, with ambitious regeneration plans either underway or in development. But a successful Southwark is built upon having strong and successful communities. Harnessing the talents and releasing the potential of the whole community will be the key to getting through the challenges that lie ahead.
28. This represents a big change in the way that the Council runs its business. But Southwark is a place that has always prided itself on looking to the future, where all communities come together to build a better borough in which everyone can take pride.
29. Part of this transformation involves improving the way we do business with individuals as an e-enabled borough, with a Council that is open for business, accessible and convenient for all. We will work to get things right first time every time. We will admit where things have gone wrong. And we will work with you to put them right again.
30. We must be open about the tough choices that will always need to be made and will work to empower the community to take more control over shaping their own services. Council and community must work together to deliver a fairer future for all.

KEY ISSUES FOR CONSIDERATION

31. This report now sets out the detail of the Council plan. It:
 - sets out the Leader's vision for a fairer future for Southwark, including the six key principles that underpin that vision;
 - describes the top ten fairer future promises that will demonstrate what is being done to achieve that vision;
 - provides a priority statement from each cabinet member, describing in more detail the most important areas of activity within their portfolios. Each statement is then supported by delivery schedules of actions and targets with responsible officers identified (see appendices);
32. The report goes on to describe what the Council must have in place to ensure that we are a well managed authority. It also explains how the Council plan, once agreed as part of the policy and budget framework, will be communicated and how feedback on what has been delivered will be reported.

Leader's vision for a fairer future for all in Southwark

33. The following text sets out the Leader's vision that will be represented within the plan:

"The Council will create a fairer future for all in Southwark by: protecting the most vulnerable; by looking after every penny as if it was our own; by working with local people, communities and businesses to innovate, improve and transform public services; and standing up for everyone's rights.

As a central London borough, our mission is to enhance the things that make Southwark special – its immense diversity and vast depths of untapped potential. Helping to unlock those talents, with nobody left behind, is what we are about as a Council.

People in the borough should be able to enjoy the enormous benefits and seize the opportunities that living in central London offers. The Council has its part to play as one of many working to deliver a fairer future.

Between us, we have the knowledge, skills and creativity to solve the major problems we are facing together. This spirit of cooperation goes beyond just problem-solving.

We will look honestly at everything we do and ask: 'can we do it better?'. We'll work to get things right first time, every time and say so when things have gone wrong. We will improve our customer service with our citizens and get them more involved with local decision making.

Our approach is underpinned by empathy, openness and trust. This is not a borough where cultures clash, but where by coming together Southwark residents create a strong sense of community. We will reflect this as an organisation by showing residents true compassion and the same care and consideration that we show members of our own families.

We'll build a fairer place to live, where our tenants have homes that are warm, dry and safe, and where we care for the old and vulnerable.

The Council will put in place policies that support young people to make the best of themselves with access to the jobs, the best education and training opportunities that living in the heart of the capital city should offer.

We will work together with residents, businesses and partners to transform public services for the people of Southwark. We will foster a culture of innovation and imagination that enables us to build a brighter future for all.

We'll also work with our residents and the police to make the streets safer. We'll encourage healthy lifestyles among individuals and families by having quality parks, open spaces and leisure services.

Over the longer term, regeneration in the north of the borough will continue to pull the benefits of being in the centre of London southwards towards Elephant and Castle and beyond. This regeneration must work for local people and the benefits be felt right across the borough.

We know that, given the levels of deprivation in Southwark, the cuts to our budget will disadvantage our borough disproportionately. But the Council has been guided by its budget principles and has listened to local people, seeking to protect our most vulnerable residents, whilst at the same time aiming to preserve quality front-line services for all of our residents.

We have to focus our limited resources on the areas where we feel we can make the most positive impact in delivering our Fairer Future vision. But securing a fairer future is more than just what the Council can do with its own resources.

The borough has a rich array of talents, for example those who are helping others day in day out through local voluntary and community organisations, and strong communities in street after street across our borough.

We know that we have challenging years ahead. But we have listened to local people and have identified six principles that underpin our vision and guide the promises that we make to deliver our Fairer Future programme:

1) Creating a fairer borough

The diversity of our community is one of our most valued assets. Strong communities will thrive and prosper if individuals and groups are treated fairly, with respect and given access to the services they need.

Our aim is to create an environment which provides opportunities to all Southwark's residents, businesses and organisations to engage fully in the community.

The Council is guided by its budget principles, listening to local people, seeking to protect our most vulnerable residents and helping people to lead independent and fulfilling lives.

2) Being more transparent

We will be more accountable to residents and businesses on how services are delivered and we will ensure that we take residents' views into account when we take decisions.

3) Spending money as we would our own

We will always look to spend every penny as if it was from our own family budgets, always looking to be more efficient and cutting back office costs, whilst keeping any council tax increases to an absolute minimum.

4) Realising potential

We will work to ensure that local people are able to realise the potential that living in the heart of London should offer.

We will ensure people have decent homes to live in and have a good start in life by getting a good education and healthy food at school.

We will work with our residents and partners to make the borough a safer place so that individuals and families can flourish.

5) Transforming public services

We need to deliver more for less as a Council. This is about providing quality universal services, like recycling and street cleaning, to a high standard.

We will transform local public services through: sharing services within the Council and with other councils and local organisations where appropriate; taking a broader approach to tackling complex problems that individuals and families face in their everyday lives; and empowering the community to deliver where they are better able to do so.

With our partners in the Voluntary and Community Sector we want to develop stronger, sustainable and independent organisations, for example through the use of our transition fund, so that local organisations are better able to support residents to lead independent and quality lives.

6) Making Southwark a place to be proud of

Some of our housing estates, schools, leisure centres and other local amenities need a lot of work to be brought to a condition with which we can be proud. We will make regeneration work for local people and develop a thirty year housing investment programme.

We will act as responsible guardians and custodians of the public realm. This means we will always take a longer term view, looking after the borough in a sustainable way for future generations. We will take action to reduce CO2 emissions and be proud of our record in taking care of our environment.”

Southwark's Fairer Future promises

34. As a council our duty is to serve the people of Southwark and to lead the area through these difficult financial times. It is vital that the local community has trust in the Council to do the right thing and to protect the interests of local people.
35. It is important that the Council is held to account and the Council plan is a key part of ensuring that the authority is delivering on behalf of its residents. It is by being responsive to local needs that a bond of trust will develop between the Council and its residents.
36. The vision and key themes above describe where we want to get to in order that people have a fairer future for all. But describing the destination is only useful if the journey is clear and understood. It is in this mood of transparency and openness that this Council plan is being brought forward.
37. The financial reality is also that Southwark faces an unprecedented cut in its budget settlement from central government for 2011/12, with £34m being removed. Once inflation, unavoidable budget pressures and all resource reductions are accounted for, this amounts to a budget gap for 2011/12 of some £60m: almost a sixth of our total budget. Government has informed us of its intention to take away a further £17m in 2012/13 and has also indicated further, as yet unquantified, cuts in 2013/14.
38. But as a Council driven by its principles, there are a key set of promises that form the cornerstone of the Council's offer to the local community. These commitments are called the Fairer Future promises and reflect what local people have told us are important.

Southwark's Fairer Future promises

1. Provide improved value for money and keep council tax increases below inflation.
2. Work with residents and the police to make the borough safer for all by cracking down on antisocial behaviour and implementing our new violent crime strategy.
3. Deliver the first three years of our five year plan to make every Council home warm, dry and safe.
4. Improve our customer service with more online services, including delivery of a better housing repairs service, independently verified by tenants.
5. Introduce free healthy school meals for all primary school pupils, and champion improved educational attainment for our borough's children.
6. Support vulnerable people to live independent, safe and healthy lives by giving them more choice and control over their care.
7. Encourage healthy lifestyles by transforming Burgess Park, opening a new swimming pool at Elephant and Castle and awarding £2m to local projects to leave a lasting Olympic legacy.
8. Open Canada Water library in autumn 2011, open a library in Camberwell and conduct a thorough review of the library service.
9. Bring the full benefits and opportunities of regeneration to all Southwark's residents and build new family homes on the Aylesbury Estate and at Elephant and Castle.
10. Double recycling rates from 20% to 40% by 2014 and keep our streets clean.

Priority statement for each cabinet portfolio

39. As part of developing the Council's plan to deliver a fairer future for all, every area of the Council has come forward with key activities that reflect how we will achieve the vision within the limited resources we have (the most important of which have been identified through the top ten promises above).
40. These key portfolio activities are captured through a series of priority statements from each cabinet member which are set out below. The statements are supported by more detailed delivery schedules of actions and targets, which are set out in appendices drawn from each department's business and budget plans.

Finance and Resources

41. The Council will make best use of its money, people and assets to deliver a fairer future for all. This is a Council that will spend money as we would our own and we are a Council that wants to give value for money to our residents. Our approach must be to spend wisely, efficiently and be open and transparent in how we account for what we do. We were one of the first inner London councils to publish our spending records. We will be open to external scrutiny through audit, ensuring that the Council shows how it is delivering value for money.
42. These are of course difficult times for everyone, so we will do what we can to ease this pressure, for example by promising to keep council tax increases below inflation. But we also want to make things easier for residents by improving the customer experience with more online services and better ways of accessing the Council.
43. Our Medium Term Resources Strategy sets out how we are making best use of our resources to deliver on our promises. This includes ensuring that the Council delivers all savings identified in the 2011/12 general fund and Housing Revenue Account budgets.
44. Our budget setting process was both open and consultative, with clear budget principles to govern the decisions we made. We want to maintain an open approach to budget setting so that residents are fully involved in the resourcing decisions that will affect their futures. Having now set the budget, we will make savings through improved efficiency to protect front line services and keep expenditure within the budget. There is also more we can do to ensure that we collect money owed to us. We will therefore focus on continually improving collection of Council tax and business rates and reducing overall debt owing to the Council.
45. Our staff are our most important resource and we want to retain a talented and diverse workforce through flexible working practices, with reward and recognition that is justified to support service improvement. We value our staff and our aim must be to provide fit for purpose, suitable office accommodation. More broadly, we will invest in our assets through a fully funded capital programme to improve people's experience of dealing with the Council. This will include improvements in technology and facilities owned by the Council.

Equalities and Community Engagement

46. There is real strength in our local communities and this is a borough where people are proud to say they get on well together. We are a Council with compassion at the centre of how we treat people – just as we would members of our own family. Equality of opportunity is promoted. Diversity and cohesion are celebrated. Community

engagement is embraced across all areas of service provision.

47. The Council wants to develop a culture of engagement so that residents are involved in the decisions on what is being delivered locally that will ultimately affect them in their daily lives. We will therefore review Community Councils as part of the work led by our local Democracy Commission.
48. Local voluntary and community organisations play a key role in our communities. We will play our part in helping local organisations to find new ways of accessing funding, resources, and support. We have already implemented a transition fund for local voluntary and community sector (VCS) organisations to support them in the immediate future, although this is only one part of a range of activities leading to a self-sustaining VCS.
49. We can help by promoting volunteering and encouraging residents to become active in their communities, particularly to build on the impetus that the Olympics will give to volunteering in London. Further, new ways of providing and improving VCS premises and community spaces will ensure they are efficient and used in the most effective way for local communities.
50. We will also develop a new approach to equalities for the Council in line with the recent Equalities Act and will continually review our own standards to ensure that our procedures and processes are robust, understood and well communicated.

Health and Adult Social Care

51. Supporting people to live independent lives and encouraging more people to take control over their own care is fundamental to securing a fairer future for all. This is particularly so for those who rely on high quality health and social care. For the most vulnerable in our society we will also ensure there are sensible safeguards against the risk of abuse or neglect, striking the right balance between managing risk and promoting independence.
52. The scale of the budget cuts facing the Council has meant that tough choices have to be made across all services. But at the same time we pledged to reduce the price of meals on wheels by half. A phased reduction has begun and by 2014/15 hot and frozen meal charges will be half the 2010/11 price.
53. Our vision includes a strong focus on re-ablement services, which provide cost effective short term support to restore people's independence wherever possible. Where a longer term support service is required we aim to maximise people's choice and control through the provision of personal budgets.
54. We will shift the balance of care from residential provision to more effective support for people in their own homes, including the use of telecare technology and specialist equipment designed to efficiently promote people's independence and safety. Supported housing services have been extensively redesigned to secure greater value for money and deliver savings, forming an important part of the range of provision that promotes independence.
55. We will provide a dedicated telephone response for all queries about help for older and vulnerable people and their carers, including information about universal access and voluntary sector services. There will be enhanced focus on targeting services to better meet the needs of carers. Transforming day services will also allow a more personalised outcome focused approach.

56. We will deliver our Charter of Rights for all service users.
57. Partnership working with health services will remain a key priority, adapting to the changes occurring in the National Health Service in a way that builds upon our strong historic ties in this area. In particular we will continue to ensure people who receive both health and social care services do so in an integrated, seamless way. The Council may soon take on a new public health role including the promotion of healthy living, bringing together a range of responsibilities that effect local wellbeing. There will be a need to do things differently, working in partnership with community and voluntary organisations in a smarter and more efficient way.

Housing

58. Our promise is to invest in the future and so we are committed to make every Council home in the borough warm, dry and safe. As one of the largest social landlords in the country, we know our promise is a tough one to deliver. We also know it is the right thing to do for all 54,000 tenants and homeowners. It is also right that our programme of investment forms a centrepiece to the overall regeneration of the borough.
59. By putting a long term housing investment strategy in place, we can take the best approach to making the borough's housing stock fully sustainable, build new Council housing and be better able to press for the retention of Council housing.
60. Our promise is not just about the future but is also about improving services today. We promised to create a dedicated, professional housing department and now this is in place.
61. We also want to improve the housing repairs service and other aspects of customer care, which are key issues for tenants and homeowners. We want our tenants and homeowners to be involved in the design and delivery of ongoing service improvement. Practical improvements include ensuring that service charges for homeowners are accurately estimated and billed, that major works are value for money and that charges for major works are fully explained to homeowners. We will also deliver all of the recommendations of the leaseholder audit action plan.
62. We also said that we will bring every fire risk assessment up to date; we will do this and make the register of when they were last carried out a public document.
63. We will minimise the number of people in temporary accommodation.
64. We will widen the opportunities for residents to become involved in the delivery of housing services through a refreshed resident involvement strategy.

Children's Services

65. Supporting young people to make the best start in life is central to achieving our vision of a fairer future for all. This Council is committed to continuing to provide strong, universal services for children and young people despite the challenging budget settlement from government.
66. Our priority is to protect those young people and families who are most vulnerable through targeted, early interventions and focused, high quality specialist services that meet their needs. We will continue to ensure that all staff and agencies understand and act on their responsibility for child protection. We will focus on better joining up services to children and families across Southwark, including working with our partners and the voluntary and community sector, as set out in our Children and Young People's Plan for Southwark.
67. We will bring in free healthy school meals for all pupils in primary schools by 2014. This will not only help children to have healthier lives, but will help families in tough financial circumstances.
68. We will guarantee that every child that wants a place in a local primary school gets one. We will continue to work with schools across Southwark to champion improved educational attainment at all levels and increase the number of schools and nurseries classed as good or better. We will also continue to invest in our schools through our primary capital and Building Schools for the Future programmes.
69. Children, young people and families will continue to be involved in service improvement, including giving young people real power over 20% of the youth service budget by 2014. This will improve the outcomes they experience and make better use of money.
70. We will seek to improve the wellbeing of our most disadvantaged groups and so close the gap in life chances. Our Youth Fund will help young people stay in education and get started in their careers. We will respond to the recommendations of the Teenage Pregnancy Commission, which seek to reduce teenage pregnancy by 2014.

Community Safety

71. Our vision for a fairer future is one where our streets are safe and individuals and families feel safe in the borough. Crime has fallen across the borough and in London in recent years, but that does not take away the impact that a single crime has on the victims affected. Our resources are being targeted to the areas where we can be most effective in tackling key issues for the borough.
72. The police are there to protect us all and as a Council we will play our part with the local community to make the borough safer for everybody. This will include cracking down on antisocial behaviour by taking a zero tolerance approach. The Council will implement a violent crime strategy, again working with the police, residents and voluntary and community organisations. The Council will also resist local policing cuts where it is sensible to do so and always put the interests and protection of our residents first by championing safer neighbourhood teams and improving our use of CCTV.

Culture, Leisure, Sport and the Olympics

73. Southwark has a rich array of culture, leisure and sporting facilities on its doorstep.

The borough not only benefits from being in central London with access to some of the best cultural facilities in the country, but also has high quality leisure and sports centres, well attended community-led events and is also about to benefit from the 2012 Olympics, Paralympics and cultural festival.

74. The Council is committed to promoting and developing sport and culture in the borough. The borough has a significant leisure investment programme, including the opening of a new swimming pool at Elephant and Castle and investment in Camberwell and Dulwich centres. We will continue to seek external funding for other facilities. As part of the Olympic legacy, we will continue to promote sports outreach programmes. We will also award grants totalling £2m to local groups to bring forward capital projects that will offer a true and lasting Olympic legacy for the borough for generations to come.
75. We will open a new state of the art library at Canada Water and a better library in Camberwell and ensure they provide good value for money, by being on time and within our reduced budget limits. At the same time, we will review our provision of libraries in the borough, involving residents and service users in redesigning the service so it is modern, fit for purpose and a truly community orientated service that benefits residents, young and old.
76. We will bring together key partners and the community to maximise delivery of the arts and cultural activities in the borough that are strong and vibrant. This will include introducing a new programme of events in the borough, taking the best of the old but also ensuring the new events are modern, relevant, inclusive and affordable.
77. We will review provision of adult and family learning, ensuring the most appropriate access to learning opportunities for Southwark's residents.

Transport, Environment and Recycling

78. For many people, the main contact with the Council is through environmental services. From keeping streets clean, providing quality open spaces and public realm, to maintaining good air quality, the environment is at the centre of much of what the Council does in providing good universal services.
79. But this is not just about doing what we can in the face of a tough budget settlement. We have made difficult choices and our ambition for good quality environment services is clear. We have set ourselves the challenge of promising to double the recycling rate from 20% to 40% by 2014 and introducing recycling for a wider variety of materials.
80. The Council will reduce, reuse or recycle waste everywhere we have influence. We will keep our streets clean by working with our residents, visitors and businesses to drive up standards. We will agree and implement clear realistic targets and actions to reduce CO₂ emissions, and improve air quality. We will work to make the shared public realm accessible, safer and enjoyable for all.
81. To make these improvements, the Council will open a state of the art waste minimisation facility. This will take all Southwark's waste, diverting waste from landfill and with the ability to treat residual waste on site. We are working with the top CO₂ emitters in the borough to reduce their emissions. We are enhancing our green spaces and beginning the transformation of Burgess Park. We are lobbying for improvements to public transport. We are making parking services more efficient for residents and the public.

82. The Council is looking to find short and long term solutions for burial space and on improving the standard of the bereavement services that we provide.

Regeneration and Corporate Strategy

83. A fairer future for Southwark is built on having strong and successful communities. Our plans for regeneration need to work for local people and businesses, and be sustained in the longer term by local people. We will make progress on all major regeneration schemes and ensure they deliver benefits and opportunities for all Southwark's communities, including our promise to build the first new family homes on the Aylesbury Estate and at Elephant and Castle. We are also developing long-term improvement plans for Camberwell and Peckham.
84. At the same time, we will continue to work on the important, smaller regeneration schemes that will make the borough a better place to live, work and visit. The actions from the local development framework – the plan that guides our decisions on how we develop land and buildings in the borough – will help deliver our vision for Southwark as a place people are proud of. We will also continue to improve planning performance so local development progresses efficiently and well. We will continue with our programmes in Rotherhithe and Bermondsey.
85. It is vital that the Council plays its community leadership role through tough financial times. By working with businesses, we can develop Southwark's local economy and seek to improve access to work and training opportunities for local people. Working with our partners in the private and voluntary sectors, the Council is working with business through the recession and residents in gaining employment and qualifications.
86. It is also important that the Council has good quality strategic policy and planning advice to support members and senior officers in making clear and focused decisions for the longer term future of the borough. Resources are likely to be further squeezed in the coming years, making these choices more challenging.

A well managed authority

87. There are some important aspects of the work of the Council that ensure we are focused on helping to foster safer, healthier and thriving communities. Some of these are given below.
- The Mayor provides civic leadership for our community and the Mayor's charitable work and fund raising benefits important causes during the Mayor's term of office.
 - The Council's approach to equality of opportunity, diversity and human rights is to recognise and value difference while also holding on to what we all have in common. Community cohesion, respect, and celebrating and embracing diversity is valued in Southwark.
 - Human Resources services support the Council in the recruitment and retention of sufficient numbers of staff, able to deliver its ambitious aims. The service will develop and support policy and practices that enable employees to have the right skills, knowledge and commitment to meet the changing needs of the Council.

- Communities should have access to the services and information they need at the click of a button. This is also more cost effective and reduces unnecessary administration.
 - Building trust and delivering a fairer future can only be achieved if we have an effective legal service in place. Our legal services help to deliver this by supporting the services that the Council delivers in a number of ways. These include acting as a check and balance in ensuring that all our policies and procedures are efficient and lawful.
 - We will ensure that good quality decision making promotes democracy and accountability, empowering local people and helping to ensure safer, healthier and thriving communities.
 - Scrutiny of the Council's decisions promotes good governance. We will be open and transparent with all our decisions.
88. Detailed information on how the Council will ensure that it uses its resources effectively to deliver the ambitions expressed through this plan can be found in the Medium Term Resources Strategy, which will also be available on the Council's website.

Communication, reporting and feedback

89. The Council's website will be the primary channel of communication and therefore the plan itself has been produced as a wholly online medium. This approach is very different from the way in which previous plans were developed. The aim is to make the plan more dynamic and accessible to a wider audience. This includes detail on progress against the ambitions expressed within the plan, as well as service information.
90. Reporting will be available publically on the same basis, through an online medium that allows the dynamic reporting of relevant information that reflects what people see and experience in their communities. Unlike printed plans, this will enable people to access up to date, relevant information. This provides greater opportunity for local people to become involved. In order to ensure reporting is effective and relevant, appropriate governance arrangements will need to be put in place to ensure data quality is sound and robust.
91. With this information in place and visible, regular reporting and feedback against the targets and milestones set out within the plan can be achieved.

Council plan monitoring arrangements

92. The Council plan contains a range of promises and targets which the Council will work towards over the coming three years. In line with an open approach to the setting of the Council's budget, we will be transparent and open in describing our progress in meeting our Council Plan targets.
93. Starting with Cabinet and working through to individual members of staff, we will ensure that the whole organisation is working towards delivering our Council Plan. To ensure accountability for targets we have identified a lead Cabinet Member and Chief Officer.

94. Cabinet Members will review progress with their respective Chief Officer, (i.e. the council officers who head up the Council's departments). Chief Officers will in turn review progress with their senior management teams.
95. The review and monitoring of targets will be ongoing throughout the year with progress updated at least every six months and we will also report more formally through an annual report. The annual report, which will be presented to Cabinet, will include a broad strategic overview of progress against activities within the plan, as well as considering performance towards the identified targets. The Council's Scrutiny Committees will also review progress with each Cabinet Member.
96. The Council Plan has baselines for targets that reflect currently available information. If targets need to change, or new targets need to be set, the changes will be highlighted on our website and more formally in our annual report.
97. Some of the targets are set by central government and where appropriate will be incorporated into the Council Plan and will be highlighted in our annual report. Information on our website will be kept up-to-date and relevant but archived information will be retained and be accessible.
98. Ultimately, by being open and transparent about progress we can let people judge our performance themselves. We also understand that people want up-to-date information as it becomes available. We will publish this in a clear and accessible way in line with website accessibility guidelines.

Community impact statement

99. The plan sets out how the Council intends to resource its future activities, based on the 2011-14 budget as agreed by Council Assembly at its meeting on 24th February 2011. The budget was subject to an extensive consultation process and Equality Impact Assessments. The plan follows the conclusion of the budget setting process insofar as setting out the key deliverables and priority actions.
100. Actions and activities set out in this plan may have a specific impact and this will therefore require appropriate analysis, including equality analysis, and due process in terms of their effects on local communities.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

101. It was previously a requirement for local authorities to publish a best value performance plan. The Local Government and Public Involvement in Health Act 2007 removes the powers of the Secretary of State to specify performance indicators and standards for local authorities, the duty on authorities to meet such standards and to publish best value performance plans. However a local authority is still required to achieve best value.

Finance Director

102. This plan, as stated, has been developed alongside the Medium Term Resources Strategy and identifies the key outcomes and actions to be delivered by the Council within the approved three year budget from 2011/12 to 2013/14. Council Assembly approved the 2011/12 budget and noted the indicative budgets proposed by Cabinet for 2012/13 and 2013/14 on 24 February 2011.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet Report: A Fairer Future for All in Southwark	Corporate Strategy 160 Tooley Street http://www.southwark.gov.uk	Stephen Gaskell 020 7525 7293
Cabinet Report: Policy and Resources Strategy 2011/12-2013/14 – revenue budget	Finance and Resources 160 Tooley Street http://www.southwark.gov.uk	Cathy Doran 020 7525 4396
Overview and Scrutiny Committee report: Draft Council Plan	Overview and Scrutiny, 160 Tooley Street http://www.southwark.gov.uk	Shelley Burke 020 7525 7344
Cabinet Report: Council Plan	Corporate Strategy 160 Tooley Street http://www.southwark.gov.uk	Stephen Gaskell 020 7525 7293

APPENDICES

No.	Title
Schedules A-I	Delivery schedules of key actions and targets for each portfolio

AUDIT TRAIL

Lead officer	Eleanor Kelly – Deputy Chief Executive	
Report author	Stephen Gaskell – Business and Partnerships Manager James Sexton – Principal Strategy Officer	
Version	Final	
Dated	23 June 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Leader of Southwark Council	Yes	Yes
Date final report sent to constitutional team	23 June 2011	

Schedule A

Council Plan: Measures for Finance and Resources

This schedule sets out the key priority actions and targets over the next three years across the Finance and Resources portfolio to support a fairer future for all.

Chief Officer: Duncan Whitfield, Finance Director

	Lead Officer	Current performance	Targets	
			2011-12	2012-13
1	Duncan Whitfield		0% increase	2.5% increase
2	Duncan Whitfield	N/A	Not greater than 2% variance of actual spend against balanced budget.	
3	Duncan Whitfield	20010-11 NDR 97.6% Council tax 92.7%	To maintain existing performance through 2011/12	0.5% increase
4	Duncan Whitfield			1% reduction
5	Duncan Whitfield	£20m represents 6.25% of the Council's general fund budget of £320m for 2010/11	£20m	£20m
6	Duncan Whitfield and Gerri Scott	To be confirmed	To be confirmed	To be confirmed
7	Duncan Whitfield and Stephen Platts		To be confirmed following agreement of Capital Programme 2011-2021	

8	Maintain an active anti fraud and internal audit programme of delivery that achieves cost reduction through an annual savings target for the Council	Duncan Whitfield		£0.5m savings	£0.5m savings	£0.5m savings
9	Ensure all our staff are in fit for purpose, suitable office accommodation	Duncan Whitfield				Provide new and improved office accommodation in the southern half of the borough (Peckham and south)
10	Reduce the unit cost of customer contact by encouraging residents to access the Council through online services and improving the efficiency of delivery of Council services	Duncan Whitfield		To be confirmed, described as cost per transaction	To be confirmed, described as cost per transaction	To be confirmed, described as cost per transaction
11	We will develop a customer experience strategy to ensure our services provide good quality customer care	Gerri Scott		Strategy in place March 2012		
12	To be fully compliant with all regulations with regard to the government's openness and transparency agenda	Duncan Whitfield		Verification reported through internal and external audit	Verification reported through internal and external audit	Verification reported through internal and external audit

Schedule B

Council Plan: Measures for Equalities and Community Engagement

This schedule sets out the key priority actions and targets over the next three years across the Equalities and Community Engagement portfolio to support a fairer future for all.

Chief Officer: Deborah Collins, Strategic Director of Communities, Law and Governance

	Lead Officer	Current performance	Targets		
			2011-12	2012-13	2013-14
1	Stephen Douglass	Council assembly changes implemented	Review community councils by 31 March 2012	Implement community council review including savings	
2	Stephen Douglass	80% net agree	80%	80%	80%
3	Graeme Gordon	We expect the duties to be confirmed in July 2011. When these are set they will be published online as part of the Council Plan.			
4	Stephen Douglass		Recommendations published by December 2011		
5	Stephen Douglass	15% of third sector organisations rate local statutory bodies as having a very positive or positive influence on their success	15%	15%	15%
6	Stephen Douglass	Baseline to be established			

7	Agree a volunteering strategy and implement the action plan set out in the strategy	Stephen Douglass		Strategy published by end October 2011		
8	Maintain the extent to which local people feel involved in decisions the council makes	Stephen Douglass	49% agree 42% disagree 7% net agree	7% net agree	7% net agree	7% net agree

Schedule C Council Plan: Draft Measures for Health and Adult Social Care

This schedule sets out the key priority actions and targets over the next three years across the Health and Adult Social Care portfolio to support a fairer future for all.

Chief Officer: Susanna White, Strategic Director of Health and Community Services

ref	Key objectives and measures	Lead Officer	Current performance	Targets		
				2011-12	2012-13	2013-14
1	Maximise people's choice and control through the provision of personal budgets	Sarah McClinton	30% of eligible service users hold a personal budget	60% of eligible service users hold a personal budget	90% of eligible service users hold a personal budget	100% of eligible service users hold a personal budget
2	Reduce the charges for meals on wheels by 50%	Jonathan Lillistone		phased implementation		50% reduction achieved
3	Provide effective support for people to live in their own homes and shift the balance of care away from residential care: measured by reduced permanent admissions to care homes	Sarah McClinton	196 permanent admissions 2010/11	5% reduction per annum in care home admissions	5% reduction per annum in care home admissions	5% reduction per annum in care home admissions
4	Increase the proportion of people with learning disabilities who are supported to live at home, measured by "0% in settled accommodation" indicator	Sarah McClinton	60%	65%	70%	75%
5	Ensure there are sensible safeguards against the risk of abuse or neglect	Sarah McClinton	2010 Care Quality Commission rating "performing well" on safeguarding outcomes	Targets to be developed after new national outcomes framework safeguarding measures are finalised (2011/12)		

6	Expand re-ablement services, which provide cost effective short term support, to restore people's independence wherever possible	Sarah McClinton	70% of users of reablement service require no long term services	Targets to be developed after new national outcomes framework reablement measures are finalised (2011/12)
7	Redesign supported housing services to secure greater value for money and support independence	Jonathan Lillistone		Savings delivered using 4 borough Supporting People framework agreements Further develop strategic priorities for the future of housing support services
8	Transform day services to allow a more personalised and outcome focused approach	Sarah McClinton		Review and re-shape day services across all client areas Implement revised service models
9	Deliver our Charter of Rights for all service users	Sarah McClinton	Charter agreed	Charter of Rights fully implemented
10	Provide a dedicated telephone response for all queries about help for older and vulnerable people and their carers, including information about universal access and voluntary sector services	Sarah McClinton		Key project milestones to be finalised

Schedule D Council Plan: Measures for Housing

This schedule sets out the key priority actions and targets over the next three years across the Housing portfolio to support a fairer future for all.

Chief Officer: Gerri Scott, Strategic Director of Housing

	Lead Officer	2010/11 performance	Targets		
			2011-12	2012-13	2013-14
1	David Lewis	Not applicable	£66.2 million	£58.1 million	£60.4 million
2	Martin Green Martin Green	Not applicable Capital billing = £8.8m; Capital arrears = £13.6m	by March 12 Capital billing = £9.73m; Capital arrears = £14.3m	- -	- -
3	David Lewis David Lewis David Lewis	73% 64% Not applicable	75% 70% by March 12	77% 72% -	79% 74% -
4	David Lewis Darren Welsh	Not applicable 11 LO in place	by March 12 Expand by March 12	- Annual review	- Annual review
	Senior Management Team (& Ian Young)	Not applicable	£9.1m	£6.4m	£4.3m

5	<p>Use our housing stock effectively Average void turnaround times in calendar days</p>	Shaun Holdcroft	25.9 calendar days 198	22 calendar days 250	21 calendar days 275	20 calendar days 300
6	<p>Number of illegally occupied properties recovered annually</p> <p>Increase the supply of housing and minimise the number of people in temporary accommodation Number of empty private homes brought back into use Minimise number of accepted households in Temporary Accommodation</p>	Shaun Holdcroft	147 755 (at 31/3/11)	135 750 (at 31/3/12)	150 <750 (at 31/3/13)	170 <750 (at 31/3/14)
7	<p>Involve tenants and leaseholders in ongoing improvement of service delivery % overall satisfaction with landlord services (in-house composite survey) % satisfied with the opportunity for participation in decision making (in-house composite survey) Delivery of revised Resident Involvement strategy</p>	Senior Management Team Darren Welsh Darren Welsh	69.5% 54.4% Not applicable	71% 56% by March 12	72% 57% -	74% 58% -
8	<p>Publish every fire risk assessment and make the register of when they were last done an online public document Publication of register of fire risk assessments</p>	David Lewis	Not applicable	October 2011, April 2012	October 2012, April 2013	October 2013, April 2014
9	<p>Effective re-housing arrangements Review policy on re-housing residents who need to move due to major regeneration projects</p>	Darren Welsh	Not applicable	by March 2012	-	-

Schedule E Council Plan: Measures for Children's Services

This schedule sets out the key priority actions and targets over the next three years across the Children's Services portfolio to support a fairer future for all.

Chief Officer Romi Bowen, Strategic Director of Children's Services

ref	Lead Officer	Current performance	Targets	
			2011-12	2012-13 2013-14
Whole-service rating				
1	Romi Bowen	Adequate (2010)	Performs Well	To determine appropriate level in new system
Key objectives				
2	Kerry Crichlow	Not applicable	Roll out to all primary schools, certain year groups only	Roll out to additional primary age groups 2013/14 All primary schools covered by academic year 2013/14
3	Merril Haeusler	Not applicable		Young people to have power over 20% of youth services budget by 2014
4	Champion improved educational attainment in all settings, holding all schools to account to deliver continuous improvement:			
4a	Merril Haeusler	9 schools (June 2011)		0 schools
4b	Merril Haeusler	73% (2010)	78% (2011)	To be agreed after analysis of 2011 results and benchmarking
4c	Merril Haeusler	55% (2010)	60% (2011)	To be agreed after analysis of 2011 results and benchmarking

4d	Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile (EYFSP) and the rest	Merril Haeusler	32.1% (2010)	30% (2011)	To be agreed after analysis of 2011 results and benchmarking
4e	Ofsted assessment of educational settings - % "good" or "outstanding" of those inspected in the year	Merril Haeusler	Primary schools 73% Secondary schools 67% Children's Centres 40% Post 16: 44%	Primary schools 75% Secondary schools 75% Children's centres 65% Post 16: 65%	Set targets in context of new inspection to be rolled out by Ofsted
5	Guarantee that every child that wants a place in a local primary school gets one	Merril Haeusler			Guaranteed places for all delivered by 2014
6	Continue to invest in our schools through our primary capital and Building Schools for the Future (BSF) programmes: BSF milestones	Sam Fowler		Phase 1 completions	Phase 2/3 completions
7	Respond to the recommendations of the Teenage Pregnancy Commission, which seek to reduce teenage pregnancy rates	Kerry Crichlow	Teenage pregnancy rate 63 per 1,000 (2009)		Reduction delivered, closing gap with comparator group
Key outcomes for our young people					
8	Increased rates of employment, education and training of young people - NEET rate	Merril Haeusler	8.7% Not in education, employment or training (measured at previous NEET definition)		Appropriate measures to be developed in context of changing national policy framework around NEET services and data during 2011/12.

9	Reduced youth offending rates	Rory Patterson	221 first time entrants to the youth justice system 1.04 reoffences per young offender	New targets to be agreed in context of Youth Justice Board and performance framework changes.
10	Key children's safeguarding outcome measures	Rory Patterson	Not applicable	Measures to be developed after analysis of final Munro report outcome indicators
11	Educational outcomes for children looked after: Children in care achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4 including English and Maths)	Merril Haeusler	13.7% (2010)	To be agreed after analysis of 2011 results and benchmarking
12	Targeted early intervention: Children with additional needs will be supported by strong universal services so that early intervention resources can be targeted towards more vulnerable children and their families at the first signs of low-level abuse or neglect	Rory Patterson	Not applicable	Referrals measures to be developed after analysis of final Munro report outcome indicators around referrals

Schedule F Council Plan: Measures for Community Safety

This schedule sets out the key priority actions and targets over the next three years across the Community Safety portfolio to support a fairer future for all.

Chief Officer: Gill Davies, Strategic Director of Environment

	Lead Officer	Current performance	2011-12	Targets 2012-13	2013-14
1	Jonathon Toy	70% at March 2011	2% increase from 2010/11 to 72%	72%	72%
2	Jonathon Toy	Police measure, not equivalent to previous national indicator	-2.00%	Maintain at 2011-12 level with reduced resource	Maintain at 2011-12 level with reduced resource
3	Jonathon Toy	51% for 2010/11	5% increase from 2010/11 to 56%	Maintain at 2011-12 level with reduced resource	Maintain at 2011-12 level with reduced resource
4	Jonathon Toy	Baseline to be confirmed	10% increase from 2010/11	10% increase	10% increase
5	Tanya Barrow	2010/11 performance 35%	47%	New targets to be set by National Treatment Agency in 2012/13	New targets to be set by National Treatment Agency in 2012/13
6	David Littleton	2010/11 performance 70% compliance	75% compliance	75% compliance	75% compliance

7	Value for money through effective partnership working in reducing violence, by using the financial information provided by the Home Office economic cost of crime survey	Jonathon Toy	2009/10 baseline year	2% reduction	2% reduction	Maintain at 2012-13 level
8	Using value for money as a tool to access the most cost effective crime prevention initiatives as part of our problem solving approach (measure to be confirmed)	Jonathon Toy	To be confirmed	Baseline year	To be confirmed	To be confirmed

Schedule G

Council Plan: Measures for Culture, Leisure, Sport and the Olympics

This schedule sets out the key priority actions and targets over the next three years across the Culture, Leisure, Sport and the Olympics portfolio to support a fairer future for all.

Chief Officer: Gill Davies, Strategic Director of Environment

	Lead Officer	Current performance	2011-12	Targets 2012-13	2013-14
1	Adrian Whittle	63% (Baseline at March 2011)	70%	70%	To be confirmed
2	Adrian Whittle	49% (Baseline at March 2011)	55%	58%	To be confirmed
3	Adrian Whittle	Baseline is 7.1 in 2010/11	8.0	8.4	To be confirmed
4	Adrian Whittle	1,395,347 in 2010/11	1,465,295	1,538,559	To be confirmed
5	Adrian Whittle	80%	80%	80%	To be confirmed
6	Adrian Whittle	£2.57	£2.50	£2.45	To be confirmed
7	Adrian Whittle	£2.40	£2.35	£2.30	To be confirmed
8a	Adrian Whittle	53.8% 2010 Active People survey	55% 2012 Active People survey	No survey 2013-14	To be confirmed
8b	Adrian Whittle	65.5% 2010 Active People survey	68% 2012 Active People survey	No survey 2013-14	To be confirmed

9	Invest capital in our leisure provision	Adrian Whittle	Not applicable	£3.045 million	£12 million	£6.5 million
10	External funding achieved for culture, libraries, learning and leisure	Adrian Whittle	Not applicable	£180,000	£150,000	£150,000

Schedule H Council Plan: Measures for Transport, Environment and Recycling

This schedule sets out the key priority actions and targets for each portfolio over the next three years across the Transport, Environment and Recycling portfolio to support a fairer future for all.

Chief Officer: Gill Davies, Strategic Director of Environment

		Lead Officer	Current performance	2011-12	2012-13	2013-14
Prioritise a clean borough						
1	Maintain the standard of our streets (% of streets and highways inspected as having unacceptable levels of litter and detritus)	Ian Smith	Litter 4% Detritus 9%	Litter 4% Detritus 9%	Litter 4% Detritus 9%	Litter 4% Detritus 9%
2	Maintain our resident satisfaction with street cleanliness	Ian Smith	89%	89%	89%	89%
3	Improve the cost of street cleanliness per head of population	Ian Smith	£31.87	£26.95	£26.60	£26.60
4	Maintain our resident satisfaction with street cleanliness, parks and open spaces, roads condition and street lighting	Des Waters	Parks = 79% Lighting = 82% Roads = 51%	Parks = 81% Lighting = 83% Roads = 52%	Parks = 83% Lighting = 84% Roads = 53%	Parks = 85% Lighting = 85% Roads = 55%
Reduce, reuse or recycle everywhere we have influence						
5	Improve recycling collection rate	Ian Smith	25%	32%	34%	40%
6	Increase the amount of waste diverted from landfill	Ian Smith	62.73%	67.1%	68.3%	69.8%
7	Reduce the cost of recycling per tonne	Ian Smith	£73.83 0.016% collections reported as missed in 10/11	£56.68	£53.99	£46.66
8	Maintain the very low rate of missed collections	Ian Smith	0.016%	0.016%	0.016%	0.016%

CO2 emissions and air quality						
9	Reduce carbon emissions from council operations	Ian Smith	41,036 tonnes in 2008/9	37,441 tonnes	32,467 tonnes	27,493 tonnes
10	Reduce carbon emissions and NOx pollution from five Southwark housing estates by connecting to new heat network from SELCHP	Gill Davies	8,000-10,000 tonnes pa CO2 and 2 tonnes pa NOx emissions from five gas-fired boilers	Sign agreement and contract	Construction of heat network	Reduction in emissions of 8,000-10,000 tonnes pa CO2 and 2 tonnes pa NOx
11	Increased numbers of big emitters working with us to reduce carbon	Ian Smith	52 members at May 2011	60 members	90 members	120 members
Accessible, safer and enjoyable public realm for all						
12	Phase one of Burgess Park improvements completed by March 2012	Des Waters	Not applicable	Not applicable	Mar-12	Not applicable
13	Increase the biodiversity of Southwark's green spaces	Des Waters	73%	76%	81%	83%
14	Reduce the cost per hectare of managing parks by 20% over three years	Des Waters	£24,158	£22,663	£21,168	£19,236
15	Burial capacity within Southwark's cemeteries	Des Waters	Currently under consideration and subject to consultation.			
16	Increase the level of street trading and markets across the borough (% of occupied pitches)	Des Waters	61%	64%	67%	70%
17	Reduce the level of successful appeals against parking penalties to that of the best performing London Boroughs	Des Waters	50%	47%	44%	40%
18	Increase the percentage of parking fines recovered to that of the best performing London Boroughs	Des Waters	64%	66%	68%	70%
19	Increase the number of highway and lighting repairs carried out within 24 hours by 20% over three years	Des Waters	9,960	10,624	11,332	12,088
Sustainable transport						
20	Reduction in the number of children being driven to school	Simon Bevan	15.7%	-1.2%	-1%	-0.5%
21	A 10% increase in the number of children receiving cyclist training in 2011/12	Simon Bevan	566 (average per year 2008-11)	623	N/A	N/A
22	A 10% increase in the number of adults receiving cyclist training in 2011/12	Simon Bevan	580 (average per year 2008-11)	638	N/A	N/A

Schedule I

Council Plan: Measures for Regeneration and Corporate Strategy

This schedule sets out the key priority actions and targets over the next three years across the Regeneration and Corporate Strategy portfolio to support a fairer future for all.

Chief Officer: Eleanor Kelly, Deputy Chief Executive

		Recent Achievements		Targets		
	Lead Officer			2011-12	2012-13	2013-14
1	Progressing major regeneration to benefit Southwark's communities					
1a	Regenerating the Aylesbury estate and building the first new family homes - Building the first homes and a resource centre on four sites, A - D, as part of phase 1a of the estate regeneration programme.	Steve Platts		First block complete on first development site (site bounded by Westmorland Road, Albany Road, Red Lion Row, Boudary Lane and Bradenham Close) - total 52 units. Aylesbury Resource Centre to open - Q2 2011. Creation Trust Funding Agreement to be signed Q2 2011 Marketing to commence for 1-59 Wolverton located on corner of East Street and Thurlow Street, Secure the empty Heygate estate by erecting a security fence by January 2012 Agreement with St Modwen on Elephant and Castle shopping centre	First development site complete (site bounded by Westmorland Road, Albany Road, Red Lion Row, Boudary Lane and Bradenham Close) - total 261 units Commencing partner selection for Bradenham, Arklow, Chartridge and Chiltern	
1b	Progressing the Elephant and Castle area regeneration	Steve Platts		Formation of a Regeneration Forum Commence consultation on the master plan Delivery of off site housing 198 completed in 2011/12 Completion of the Southern Junction infrastructure Maple Quays (Site A) total units 165 (126 private, 39 affordable) Shopping Centre Planning Application 2012/12 Plaza Completed Autumn 2011 Library Completed Autumn 2011 Proposals for Albion Street to be developed and strategy agreed 2011/12 Start on site of phase 2 of Spa Road shops and residential units (Site G - Hyde Housing) December 2011 Start on site of site Grange Walk site (C5 - Notting Hill Housing). Demolition to start August 2011 and construction work to start March 2012	Complete the second phase of the demolition of the Heygate estate by April 2012 Core Area – Planning application spring 2012 Supplementary Planning Document – Spring 2012 Leisure centre planning application spring 2012 Planning application on Stead Street 2012/13 Maple Quays (Site A) total units 220 (146 private, 74 affordable)	Planning approval for main scheme
1c	Rotherhithe/Canada Water	Steve Platts				Construction of leisure centre commences
1d	Bermondsey Spa	Steve Platts				

		Targets		
		2011-12	2012-13	2013-14
	Lead Officer	Recent Achievements		
1e	Steve Platts	Maximising the benefit of major regeneration schemes - working with developers to get the best possible result by helping people into work and supporting local businesses	Elephant & Castle - an important part of the Council's agreement with Lendlease for the regeneration of the Elephant and Castle is to guarantee that people are helped to secure jobs during construction and after completion of the development. The specific means to do this will be negotiated and agreed prior to Lendlease submitting any planning applications to the Council. Therefore targets cannot yet be quantified but will be published once negotiations and consultation have taken place.	
2		Planning and development		
2a	Simon Bevan	To sustain performance on planning applications processed on time at a minimum of 75%	All: 75%	All: 75%
2b		Enforcement		
	Simon Bevan	To be an effective statutory planning authority, ensuring that breaches of planning regulations are resolved within a timely manner	60% of valid enforcement investigations closed within 8 weeks. A decision taken on proposed action on all valid enforcement investigations within eight weeks. 70% of appeals against enforcement notices dismissed	
3		Local area regeneration		
3a	Steve Platts	Revitalising the local retail economy by improving local shopping centres across the borough.	12 shopping areas currently due to complete by the end of July 2012	
3b	Simon Bevan	Investing in smaller regeneration schemes that will make the borough a better place to live, work and visit	Canada Water Area Action Plan adopted by Council February 2012	Council adopts Peckham and Nunhead Area Action plan June 2013
3c	Simon Bevan	Strengthening local area plans in Elephant and Castle, Dulwich, London Bridge, Borough and Bankside and Camberwell through improved supplementary planning documents	Elephant and Castle supplementary planning document (SPD) adopted by March 2012 Consultation on Dulwich SPD completed by December 2011 Adopt Dulwich SPD February 2012 March 2012 review work carried out on neighbourhood planning and decide approach to taking forward SPD or Area Action Plan for London Bridge Borough and	Adoption of Camberwell action area SPD in January 2014
3d	Steve Platts	Camberwell: improving the town centre as a place to live, work and do business through better co-ordination of regeneration activity and Council service delivery	New library opens - Autumn 2012 Thamesreach Academy opens - April 2012. Start of modelling and design work for Camberwell town centre improvements	
3e	Steve Platts	Housing regeneration and renewal in east Peckham and Nunhead 2011/12	Implementing solar heating, street lighting and tree planting improvements in renewal areas.	
3f	Steve Platts	Bringing high quality, new homes to the Wooddene and Elmington sites	Wooddene - Enter into contract by March 2012 Elmington phase 2 - submit planning application by February 2012 Elmington phase 3 - completion of Benhill Nature garden by December 2011 and developer selection approved by Cabinet by March 2012	Elmington phase 2, achieve planning consent and delivery Elmington phase 3, submit planning and delivery
				Elmington phase 2 completion Elmington phase 3 completion

		Targets			
	Lead Officer	Recent Achievements	2011-12	2012-13	2013-14
3g	Steve Platts	Regenerate the housing estates, that are most in need of investment.	Abbeyfield Estate - undertake option appraisal of Maydew House, including implications for Thaxted Court & Damory House and report back to Cabinet in October 2011	To be agreed - pending consultation	To be agreed - pending consultation
	Steve Platts		Hawkstone Estate - undertake option appraisal of low rise blocks and report back to Cabinet in October 2011	To be agreed - pending consultation	To be agreed - pending consultation
	Steve Platts		Four Squares Estate - undertake option appraisal and report back to Cabinet in October 2011	To be agreed - pending consultation	To be agreed - pending consultation
4		Increase the housing supply			
4a	Steve Platts	Providing more affordable homes across the borough to improve access to housing locally	600 additional affordable homes	600 additional affordable homes	600 additional affordable homes
4b	Simon Bevan	Bringing additional homes to the borough by working with local developers and housing providers	1445 as at Dec 2010	1450 net new homes 2012/13	1450 net new homes 2013/14
5		Increasing employment and jobs			
5a	Steve Platts	Employment: commissioning support to help residents into training and jobs.	271 people will start new jobs and continue to receive support to make sure they stay in work. Additional support will be maintained for people who started jobs in 2010-11.		
5b	Steve Platts	Increase Southwark's employment rate and bring it up towards the average for London. The employment rate is the proportion of the working age population in employment.	At Dec 2010: Southwark 67.5%; London 68.97%	Target for 2012/13 to be calculated based on the London average for 2011/12.	Target for 2013/14 to be calculated based on the London average for 2012/13.
5c	Steve Platts	Enterprise: commissioning support for business start-ups and promoting business survival and growth through the recession	Our aim is to provide support to 15 new business start-ups and provide support to a further 150 existing businesses, subject to the agreement of contracts in August 2011.		

Item No. 5.2	Classification: Open	Date: 6 July 2011	Meeting Name: Council Assembly
Report title:		Capital Strategy and Programme 2011/12 - 2020/21	
Wards or groups affected:		All	
From:		Cabinet	

RECOMMENDATIONS

That Council Assembly:

1. Agree the recommendations of the 21 June 2011 Cabinet for a refreshed 10-year general fund capital programme 2011–2021 of £351m, as detailed in the cabinet report attached as appendix 1.
2. Agree the recommendations of the 21 June 2011 Cabinet for the Housing Investment Programme (HIP) 2011–2016 as detailed in the cabinet report attached as appendix 1.
3. Note the capital strategy included in the Council’s Medium Term Resources Strategy agreed by Cabinet on 21 June 2011 (paragraphs 8 to 9).

BACKGROUND INFORMATION

4. On 31 May 2011 the cabinet considered the Housing Investment Programme and Revised Strategy report, the resources available and how these would be used to provide warm, dry and safe homes across the borough. The report described the programme which delivers investment in the Council’s own housing stock, both directly through works to dwellings and estates, and through housing related regeneration projects.
5. On 21 June 2011 the Cabinet considered a report on the Council’s Capital Programme 2011–2021. A copy of the report is attached (appendix 1) and the full decision is set out below:
 - That the refreshed 10-year general fund capital programme 2011–2021, as detailed in appendices A and F of the report be agreed for recommendation to council assembly to be held on 6 July 2011.
 - That the Housing Investment Programme 2011–2016 as detailed in appendix B of the report be agreed.
 - That the application of New Homes Bonus over the period to 2016/17 to finance the capital programme be agreed.
 - That the application of the Local Public Service Agreement (LPSA) Reward Grant to finance the capital programme be agreed.

- That the refreshed capital programme for 2012-22 be formally reported to cabinet in February 2012 to ensure council priorities continue to be met and following announcement of the successful Olympic legacy bids

KEY ISSUES FOR CONSIDERATION

6. The proposed general fund capital programme 2011 - 21 has been updated in line with new and emerging priorities, latest information on existing projects and current estimates of resources. It proposes a total programme of expenditure of £351.0m with projected funding of £414.8m. Within this there has been some £70m of new additions to the programme including;
 - i) major works to roads,
 - ii) a new leisure centre and improvements to existing centres,
 - iii) projects to deliver an Olympic legacy,
 - iv) creation of new places and improvements in local primary schools
7. The HIP proposes a total capital programme of expenditure of £416m over the five years to 2015/16. Possibilities to increase resources for the programme are being explored, including increasing the level of disposals, S106 developer contributions, and the recent bid for government decent homes backlog funding. While the outcome of this bid was disappointing, and clarification is needed as to how funding would be made available, any increase in resources above current assumptions will be used to bring forward the planned programme in line with its existing priorities.

Capital Strategy

8. The proposed capital programme has been based on the updated medium term resources strategy (MTRS) approved by cabinet on 21 June 2011. The MTRS provides a framework of underlying principles by which resources are managed and allocated across the Council. Each key resource is managed centrally within the Council and has a specific strategy in place. Finances are covered by the financial management and control strategy which sets out the financial principles of the Council and the remit within which it plans its business. Contained within the financial management and control strategy section of the MTRS is the Council's capital strategy.
9. The key features of the capital strategy are:
 - To incorporate major strategic projects in the mainstream capital programme.
 - To exploit opportunities afforded through the regeneration programme, including setting a target for capital receipts from regeneration projects to support the Council's future capital programme.
 - To profile capital schemes realistically over their lifetime and apply full whole life costing principles to all major capital projects including investment and disposal decisions.
 - To establish over the medium term sufficient lifecycle maintenance provision for the Council's fixed assets where the assets are essential for service delivery and it is cost effective to maintain them in line with the Council's asset management plans.
 - To review uncommitted budgets within the existing approved capital programme annually and reprioritise as necessary.

- To identify, review and select the most appropriate procurement strategies and partnerships arrangements (where appropriate) for all major capital projects.
- To maximise and accelerate the programme of capital receipts ensuring best consideration and due regard to service provision, in line with the asset management strategy and to obtain best value from the disposal.
- To maximise use of planning gains and associated benefits in accordance with agreements and strategic priorities, by prioritising the use of external grants and planning gains ahead of corporate receipts.
- To pool corporately all capital receipts without any specific earmarking unless so directed by the cabinet.
- To build and maintain a capital contingency reserve (£5m) to fund urgent and unavoidable works, including health and safety and DDA works – release of these funds to be subject to the prior approval of the Finance Director in consultation with the Cabinet Member for Finance, Resources and Community Safety.

Community Impact Statement

10. The community impact statement is set out in the report at Appendix 1.

Consultation

11. Consultation on the overall programme has not taken place. However, each of the individual projects are subject to such consultation as is required or desirable when drawing up the schemes. Some of these will be more extensive than others, for example projects with an impact on the public realm. Some projects, such as those funded by grant or s106 may require consultation with those providing funding.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

12. Under the constitution the council assembly must agree the capital strategy and programme at least once every four years, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders.
13. The Capital Programme 2011/12 to 2020/21 satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.
14. Section 106 funding while being a capital receipt can only be used for specific purposes detailed in the legal agreement.
15. By agreeing the recommendations in the report the council assembly will demonstrate that it has made adequate arrangement for the proper administration of the council financial affairs.

BACKGROUND INFORMATION

Background Papers	Held At	Contact
See Appendices		

APPENDICES

No.	Title
Appendix 1	Cabinet report (21 June 2011) capital programme 2011–2021

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Finance Director	
Report Author	Cathy Doran, Finance and Resources Sue Emmons, Finance and Resources	
Version	Final	
Dated	23 June 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(s)	Yes	Yes
Date final report sent to Constitutional Team	23 June 2011	

APPENDIX 1

Item No. 8.	Classification: Open	Date: 21 June 2011	Meeting Name: Cabinet
Report title:		Capital Programme 2011–2021	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

In these times of severe restraint on public funding it is important to maintain our capital investment in council services to ensure that we achieve value for money. We must remain mindful of the revenue implications of projects: whether they are invest-to-save opportunities or decisions that could increase on-going costs. Our programme is largely funded through the disposal of redundant assets, rather than borrowing (the council has little scope to do the latter given its debts from past years) and the report sets out the scale of the disposals to deliver this. Section 106 money, capital grants and the New Homes Bonus are also used to generate the necessary resources for the programme.

The previous executive considered a ten-year programme in February 2010. This needs to be updated with the changes in council priorities, but there have also been significant amendments that have been needed as the council has improved its capital budgetary processes. A considerable issue for the previous programme that needed resolution has been the frontloading of the programme in 2011/12 and 2012/13 that was neither affordable nor deliverable. The new programme still has a significant volume of activity in these years but in a manner that enables sufficient flexibility to ensure that these concerns are addressed.

The programme ensures that the council can build a new leisure centre at the Elephant and Castle whilst making further improvements at Camberwell and a new commitment to improve Seven Islands. It enables the council to implement its Free Healthy School Meals policy and to address the critical shortfall in burial space in the borough. Unlike the previous programme, it enables the Cleaner Greener Safer programme to continue for the entirety of the ten years covered. It establishes a fund to deliver an Olympics Legacy and provides the basis to make every council home Warm, Dry and Safe. In total, £69.4m of new capital schemes are included, as set out in appendix D.

The report also sets out the financing of the Children's Services capital programme and seeks approval for £2.5m for the creation of new places in our primary schools. The report notes the new £12.49m grant allocation for 2011/12 for new places and school building maintenance. The Southwark Schools for the Future programme continues and a report detailing its progress is on the same agenda.

RECOMMENDATIONS

That Cabinet:

1. Agree the refreshed 10-year general fund capital programme 2011–2021, as detailed in appendices A and F for recommendation to Council Assembly in July.
2. Agree the Housing Investment Programme 2011–2016 as detailed in appendix B.
3. Agree the application of New Homes Bonus over the period to 2016/17 to finance the capital programme.
4. Agree the application of the LPSA Reward Grant to finance the capital programme.
5. Agree that the refreshed capital programme for 2012-22 be formally reported to Cabinet in February 2012 to ensure council priorities continue to be met and following announcement of the successful Olympic legacy bids.

BACKGROUND INFORMATION

6. On 9 February 2010 the then Executive approved a refresh of the 10-year capital programme for 2009-19. The Executive approved a total programme for ten years of £538.1m for the general fund programme. A total programme for seven years of £592.5m was also agreed for the housing investment programme.

KEY ISSUES FOR CONSIDERATION

General Fund Capital Spend

7. The 2010/11 capital outturn report, also on this agenda, indicates that expenditure of £96.1m was incurred against the general fund capital programme and £70.5m against the housing investment programme in 2010/11. This expenditure has resulted in the completion of a number of projects including the refurbishment of the Dulwich and Camberwell leisure centres; the Southwark resource centre on the Aylesbury estate; Tuke special school and, Michael Faraday primary school. There has also been significant progress on the new library at Canada Water, Eveline Lowe primary school and major works to council housing stock.
8. The 2010/11 outturn position is 52% lower than the original in-year budget. There is a history of lower outturn position to in-year profiled budget allocation. In 2008/09 the outturn position was 16.4% lower than originally agreed budget and in 2009/10 it was 32% lower.
9. This outturn position now allows for a refresh of the programme in line with new and emerging priorities and more up to date information on existing projects and available resources. The major influences impacting on the refreshed programme include:
 - The report to Cabinet in November 2010 on the 2010 Spending Review stated that capital funding from all central government departments would fall

by 45%. A significant proportion of the Council's capital programme is funded by government grant, therefore there is a need to carefully review and monitor future grant allocations.

- An updated disposals programme including projected receipts from major project agreements such as Potters Field and Elephant and Castle.
- New sources of funding by way of the New Homes Bonus and a one-off allocation of Local Public Service Agreement Reward Grant.
- New priorities as agreed by Cabinet.
- New bids prepared by Strategic Directors in light of agreed service priorities.
- More current data to support the profiled spending on selected schemes.

Housing Investment Programme Spend

10. The planned programme for the Housing Investment Programme was presented to Cabinet in May 2011. It showed a balanced programme with the principle aims of delivering warm, safe and dry homes across the borough and investing in the regeneration of estates, as well as the required landlord obligations.

Capital Resources

11. General fund capital resources normally arise from six main sources:

- capital receipts from disposal of property,
- grants,
- external contributions,
- section 106 funding,
- contributions from revenue,
- and contributions from reserves.

A review of the capital resources projections for each of these has been undertaken to ensure the resources projections are up to date.

12. The capital programme is driven by limitations on resources available and the timing of those resources. Over the ten year life of the programme, the Finance Director requires that all commitments be met from estimated resources, while considering cash flow implications during that time. If in-year funding is insufficient to meet expected demands, alternative short term sources of funding may need to be made available or projects may need to be deferred or reprofiled as appropriate. Short term sources of funding include use of earmarked reserves and accelerating the disposals programme.
13. While the estimated spend of a project is programmed to be as realistic as possible, the complexity of capital projects are such that there is significant experience of slippage in schemes arising from contractual issues, planning, construction issues and unforeseen changes to service priorities. Consequently it is inevitable that on a capital programme of this magnitude there are likely to be significant variations in the profiling of expenditure, particularly in the early stages of a project.
14. The Southwark capital programme is funded by an especially large proportion of receipts from property disposals. Since 2009, the capital programme has attempted to forecast the receipts generated from future disposals for both the general fund and housing capital programmes over ten years. This allows for effective forward planning of the programme, as projects need to be initiated well in advance of the receipt of funds from disposals that will finance their delivery.

15. There are a number of issues that affect the value and timing of disposals, many of which are subject to complex legal agreements and planning agreements. These include market forces, demand and property condition. Therefore in later years there can be less certainty about the value of receipts anticipated for that year, although best attempts are made to produce a prudent estimate. The Head of Property Services has reviewed and updated the capital receipt projections shown in this report.
16. The 10-year forecast for receipts from disposals is £222m for funding the general fund programme. The 5-year forecast for receipts from disposals for funding the Housing Investment Programme is £142m.
17. In addition, there are other funding sources that are available to be utilised. In this capital refresh report; there are a number of significant items that are factored into resources available to support the new programme.

Section 106

18. The council can enter into a Section 106 agreement, otherwise known as a 'planning obligation', with a developer where it is necessary to provide contributions to offset negative impacts caused by construction and development. Examples of contributions range from the provision of affordable homes and new open space to funding of school places or community facilities. The developer will either carry out these works themselves or make payments to the council for the works to be undertaken.
19. The existing capital programme contained £6.1m of identified schemes to be funded from S106 agreements to be used to fund existing projects. There are no changes in this commitment.
20. In addition the 2011-21 programme includes potential S106 resources of £12.6m. This is from unearmarked existing balances and new funds anticipated from future agreements. These new resources will wherever possible be concentrated on funding of the current programme.

New Homes Bonus

21. In February 2011 government announced that the proposed New Homes Bonus (NHB) would be implemented from April 2011. It is intended to reward local authorities and communities where housing growth takes place. Government confirmed that the scheme will be paid for the following six years as an unringfenced grant.
22. The confirmed formula for allocation from government is to match the level of council tax paid on each new home for six years with an additional £350 for each affordable unit. As an 'unringfenced' grant, there would be no restriction on its use.
23. At their meeting on 25 January 2011 the Cabinet formally noted the potential NHB that Southwark may be awarded and committed £1.5m of this in the revenue budget from 2011/12.
24. The number of new homes built in Southwark is one of the largest in the country

and therefore this grant is significant. The grant is programmed to run until the end of 2016/17.

25. This report recommends that all estimated surplus NHB resources over and above that committed to the revenue budget be earmarked to the corporate resource pool to support the ten-year capital programme.
26. Based on current information and projections it has been estimated that the council will receive up to approximately £54.3m over a 6-year period as a result of the NHB. This estimate is based upon the use of the CLG toolkit applied to Southwark's own estimates of new homes to be built. The profile of this grant is shown in the table below.

Six year calculation	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Total Grant	2,590	5,171	7,751	10,332	12,913	15,493	54,250
Revenue commitment	1,500	1,500	1,500	1,500	1,500	1,500	9,000
Total for capital funding	1,090	3,671	6,251	8,832	11,413	13,993	45,250
Split:							
General fund allocation	1,090	3,436	5,782	8,128	10,475	12,821	41,732
Housing allocation	0	235	469	704	938	1,173	3,518

27. It is anticipated that the NHB allocation will be reviewed as part of the next government spending review and any reduction in the allocation will need to be incorporated into a revised capital programme.

Local Public Service Agreement (LPSA) Reward Grant

28. Local Public Service Agreements (LPSAs) were first introduced in the 1998 Comprehensive Spending Review which set approximately 600 performance targets. Successful achievement of the second generation (2005-08) of these LPSAs would result in the award of a performance reward grant of up to £10m.
29. In June 2010, CLG wrote to local authorities to give details of reductions in various grants and funding streams. In September 2010 the council was informed that the reward grant would be reduced by 50%.
30. In March 2011 the council received £4.3m of LPSA reward grant. LPSA reward grant was not considered when setting the council's budget for 2010/11 and beyond due to the uncertainty around the grant. It therefore would not have been prudent to assume any level of grant until the government had confirmed specific allocations.
31. The reward grant allocation was due to be paid as 50% capital grant and 50% revenue grant. Upon receipt of the funds in March 2011, the council was informed that the allocation was now split 30% capital and 70% revenue. There is no restriction on how the grant is spent.
32. As this grant is a one-off allocation it cannot be used to fund on-going revenue activities as this would create a funding issue in future years. It is therefore considered appropriate to use the whole grant allocation for funding capital expenditure. The revenue element of the grant will fund the capital programme by way of a revenue contribution to capital.

33. As the reward grant was not ring-fenced, and given its non-recurring nature, it is appropriate to use it to contribute to funding the overall capital programme.

Contributions from Earmarked Reserves

34. Reserves are funds set aside from underspends or planned budget contributions, to meet contractual commitments or future expenditure plans, including meeting risks or liabilities that may arise at a later date. Two reserves which have been identified as funding elements of the capital programme are detailed below.
35. The modernisation reserve is for one-off expenditure and multi-year projects that are designed to modernise and improve service levels and operational efficiency of Southwark's activities. Schemes will include accommodation pressures and the Shared Services strategy, Local Service Delivery, Customer Service improvements, and Information Services strategy. The use of the reserve is subject to a protocol listing admissible items in accordance with the Council's Medium Term Resources Strategy.
36. The regeneration and development reserve is to fund one-off expenditure and multi-year projects to facilitate the significant regeneration and development taking place in the borough. Projects include the Elephant and Castle, Canada Water, Southwark Schools for the Future, and land acquisitions associated with these projects.

Capital Programme by Service

37. Appendix A shows the summary position of each department over the 10 years for the general fund programme and details the resources available in each year to fund forecast expenditure. Appendix F shows specific programmes and projects within the general fund programme in more detail for each department.

Olympics Legacy

38. A Southwark Olympics Legacy group was formed in November 2010 and is chaired by the Leader of the Council. The group is composed of external delegates from the local business community, the MP for Dulwich and West Norwood, Southwark Council cabinet members and senior council officers. The objective of the capital legacy group is to invest £2m in capital projects that support a lasting Olympic and Paralympic legacy in Southwark from the 2012 games, improving access to and increasing participation in physical activity and encouraging the development of the Olympic values in the borough's communities.
39. On the 3 March 2011, the Olympic capital legacy fund was launched with press articles in the local newspapers, dedicated pages on the council website, direct mail to community councils, direct mail to sports clubs and associations, and direct mail to all councillors in the borough, to invite bids. The 40 unique applications received were judged on how well the proposals were considered to have met the criteria and the quality of the supporting information. Of these 17 applications were considered to be successful and are recommended to be invited to submit a second stage application with the final decision being taken in October 2011. Included within the applications through to stage 2 are: a bid for

refurbishment works for Camberwell Baths sports hall; the levelling and resurfacing of pitches and upgrading of changing rooms at Peckham Rye; and the modernisation of Southwark Park sports complex in Rotherhithe, with the aim of delivering a quality multi-sports facility that will cater for the needs of the local community and schools

40. This report recommends the approval of £2m of corporate resources to fund the successful Olympic Legacy projects to improve access to sport and physical activity within the borough.

Children's Services

41. Children's Services brings together education, children's social care, youth offending services and specialist children's health services.
42. The majority of the children's services capital programme represents investment in schools, however, there is also a small youth services programme agreed in 2007 which allocated £2m to enhancing youth facilities across Southwark. The main schools' investment programmes are the primary capital programme and the 3 primaries programme, with smaller programmes for plant, fabric and modernisation works.
43. The majority of schools' investment programmes are funded by grants from central government, however there are also a variety of other funding sources including contributions from schools and section 106 funds, though these represent a small percentage of total funding. The 3 primaries programme is being funded almost entirely by corporate resources.
44. The most significant achievement in 2010/11 was the opening of the new Michael Faraday School, providing additional places in a dramatic new building, signalling the start of the regeneration of the Aylesbury Estate. New youth facilities at Belair park were completed in 2010/11 representing investment of just under £1m in the park.
45. Appendix E of this report details the children's services school's investment strategy for the coming year and details how £12.5m of central government grant for 2011/12 is proposed to be used. This includes a £500k allocation to upgrade kitchen facilities to enable delivery of free healthy school meals for all primary school pupils in council funded schools.
46. A further £2.5m is earmarked for providing new permanent places in the borough's primary schools, and £2.7m for improvements and modernisation works to existing primary schools. £500k is allocated for a challenge fund programme which includes £100k to help schools meet CO² emissions targets. In total the new ten-year programme represents £60.6m of investment in schools and youth facilities.

Southwark Schools for the Future

47. In May 2007 the then executive approved the Southwark Schools for the Future outline business case (OBC). This OBC outlined a programme of investment in Southwark's secondary school estate enabled by funding from partnerships for schools (PfS) of £179m. Southwark then entered into a strategic partnering agreement with 4 Futures and a local education partnership was established to

deliver the building schools for the future (BSF) programme. This partnership has since been rebranded as 4Futures.

48. Phase 1 includes Tuke Special School and St Michael's Catholic College. Phase 2 includes St Thomas the Apostle College, Sacred Heart, New School Aylesbury and Spa school. Phase 3 is still subject to ongoing negotiation.
49. The majority of the programme is funded by grant funding from central government with an additional £20m of corporate resources committed to the programme the use of which is agreed through further reports to Cabinet. The programme also includes 3 schools being developed under a 'design, build and operate' scheme which will be funded by future PFI credits and school contributions.
50. During 2010/11 the two sample schools commissioned for phase 1 in May 2009 were brought into service. Tuke special community school opened in September 2010. St Michael's voluntary aided school was completed and commenced a 25 year PFI operational period in January 2011.
51. The new ten year programme totalling £115.9m is subject to an update report on the same agenda as this report. It details phase 3 of the programme which is split into two parts – programmes to be committed in July and the remainder of the programme to be committed in Autumn 2011. The budget has been reduced by £6.76m as a result of a revised funding allocation for the projects following a review by PfS.

Health and Community Services

52. The main focus of the health and community services capital programme is investment in the infrastructure necessary to support the delivery of services to improve the health and well being of local people.
53. The major component of the existing programme is the new Southwark Resource Centre being built within the new Aylesbury estate regeneration area, representing an investment of over £5m of corporate resources. The centre is due to open in autumn 2011 and is due to be completed under budget.
54. 2010/11 has seen the completion of work at Cherry Garden Street on the refurbishment of the offices for use as a resource centre for people with learning disabilities which was opened in September 2010. This building accommodates staff and clients from the Grange and Evelyn Coyle day centre.
55. There is a new Department of Health capital grant for 2011/12 and 2012/13. The "Adult PSS capital allocations" is allocated using the adult social care relative needs formula. The grant is earmarked for enabling continued capital investment to support delivery of adult social care services and for developing community capacity. The priorities of this funding are;
 - Innovative alternatives to residential care such as supported housing and living (for younger adults) and extra care housing (for older people) which can help people live in the most appropriate accommodation via a range of housing options for differing levels of need and lifestyle.
 - Alternatives to residential care via community based services investment, specifically capital investment making full use of telecare in a continued support

- package.
- Redesigning infrastructure - providing a better first point of contact that can give information and advice on all services available. Assessment and care management is redesigned so that contact time with users is maximised. All processes need to be proportionate to levels of risk and need. Also, to provide existing services and new services that are designed to provide choice and work in partnership with all stakeholders.

Environment

56. The Environment capital programme manages investment in the following areas; culture, libraries, learning and leisure; public realm; community safety and waste management.
57. The programme includes investment in non-principal roads of £43.5m and £5.2m in street lighting. Other areas of public realm receiving investment include parks, libraries and the borough's leisure centres which have benefitted from council investment of £12.3m, in addition to external funding sources which have enabled major refurbishment works at Dulwich, Camberwell and Surrey Docks.
58. The programme also includes an annual investment for community council's to allocate funds to projects with the aim of making the borough cleaner, greener and safer. Investment is also being made in developing new waste facilities at Old Kent Road and initiatives for large scale, long term, low or zero carbon energy provision, with secure supply and stabilised energy prices for a significant number of our council tenants and leaseholders.
59. The majority of the programme is funded from corporate resources with a small amount of section 106 funds being utilised. In March 2009, it was announced that Burgess Park had won £2m from the Mayor of London under the 'Help a London Park' programme. The park also received funding of a further £4 million from the Aylesbury New Deal for Communities, now Creation Trust.
60. 2010/11 saw the completion of phase 1 of improvements to both Dulwich leisure centre and Camberwell baths, with finals works due to be finalised in summer 2011. This new 10-year capital programme includes an additional £521k contribution to the final phase of works at Camberwell baths. The refurbishment works to the Thomas Carlton centre were completed and handed over on 7 March 2011.
61. The original cleaner greener safer allocation was programmed until 2015/16. This allocation has been increased and now covers the full ten year programme. Investment in road surfacing and maintenance and street lighting was also only programmed until 2015/16. The new programme now profiles investment across all ten years. This includes an additional £20m of corporate resources being allocated to road maintenance to maintain the annual allocation for the life of the programme.
62. The programme includes £600k for reinstatement of the pavilion at Pynners playing fields. There is also an allocation for works at Kingswood House which may be brought further forward within the programme following a review of the facility currently being undertaken. A further £100k has been allocated for the Peckham Rye one o'clock club. This is in addition to existing funds identified for the scheme including a cleaner, greener, safer commitment. Further projects

currently being evaluated include renewal works at Greendale sports ground, and investment for Grove Vale library. These will be considered at the next capital programme review in February 2012 when appraisal works have been completed.

63. The new 10-year programme totals investment of £118.8m which includes the addition of a new leisure centre at Elephant and Castle, the complete refurbishment of Seven Islands leisure centre, new burial provision, upgraded CCTV and the creation of an Olympics' legacy.

Finance and Resources

64. The finance and resources capital programme focuses on two key areas: information and communication technology infrastructure projects to support and enable business initiatives; and premises related works including major improvements to Council buildings along with a programme for essential works to council properties to enable them to comply with the disability discrimination act (DDA).
65. The main components of the programme include: the project to move the information services data centre; projects to keep IT infrastructure and software up to date and fit for purpose; the property works programme, including installing fuel efficient heating systems and external fabric works; and the DDA programme.
66. The finance and resources capital programme is funded entirely from corporate resources including capital receipts and earmarked reserves.
67. In addition, £2.6m has been earmarked from the modernisation fund for essential upgrade works to the Carefirst computer system. This is the core management system used by both Health and Community Services and Children's Services. It enables a single record of care to be shared and updated securely by different care workers within the organisation. This new investment will be controlled by the Finance Director in support of the Strategic Directors of Health and Community Services and Children's Services to ensure a high quality and fit for purpose social care information system that supports social work teams in their activities.
68. The new ten year programme for Finance and Resources totals £11.1m and includes a sum to increase the capital contingency allocation from £2.7m to £5m in line with the target set in the medium term resource strategy. This modest contingency represents just 1.4% of the capital programme and mitigates some of the risks from such a significant and largely self funded capital programme.

Regeneration and Neighbourhoods

69. The main focus of Regeneration and Neighbourhood department is to lead the corporate agenda of transforming the borough, making it a better place to live, work and visit. This is achieved through the implementation and delivery of various physical and social regeneration programmes.
70. The programme is split into three main areas; economic development and strategic partnerships (ED&SP); planning and transport; and property services. The New Deal for Communities section came to an end in 2009/10 with a small

residual sum being spent in 2010/11 to finalise the scheme.

71. The majority of the ED&SP section is funded from section 106 funds and a small portion of external grant. The one exception is the improvements to local retail environments programme (ILRE) which is majority funded from corporate resources and which represents an investment of over £4m by the council into local shopping areas. The majority of the planning and transport projects are funded from external grant from Transport for London, and the majority of the property services projects are funded from council resources.
72. During 2010/11 the ILRE programme saw the project at Great Suffolk Street completed and those at Herne Hill and the Blue close to completion. The programme continues into 2011/12. Other ED&SP project completed during 2010/11 financial year include the Arc Nursery, the Clink Street tunnel lighting, Dodson and Amigo estate improvements. Planning and transport projects successfully completed this year include the opening of the £1.7m Salisbury Row, streets for people scheme launched by the Transport Commissioner on 26 November 2010. This scheme won the 2011 London transport award for 'excellence in walking & public realm'.
73. Property Services' projects include the new library at Canada Water; the new office accommodation strategy; a new community centre in Nunhead and support for a new voluntary sector infrastructure strategy.
74. During 2010/11 Cabinet agreed to halt the capital works to 19 Spa Road and to divert the funds into a new office accommodation strategy agreed in November 2010. The programme of office rationalisation aims to ensure fit for purpose, accessible, affordable and sustainable accommodation for all staff and customers, reducing financial, reputational and human resources risks to the council and to free up as strategic regeneration sites and for disposal with the receipts available to support capital priorities.
75. The new ten year programme totals investment of £27.5m which is funded from a variety of funding sources including S106 funds, external grant from TfL and corporate resources.

Housing General Fund

76. The housing general fund capital programme represents investment in housing in the borough which is not directly focused on council properties and includes travellers' sites and affordable housing fund contributions. This includes housing renewal which allows assistance to a wider section of the community, subject to financial status, than existing council aid provision solely for the over 65s and individuals with medical needs.
77. The main elements of the programme include: the East Peckham and Nunhead housing renewal programme, as agreed by Cabinet in January 2011; the group repair scheme which replaces energy inefficient components, provides insulation and is working to retrofit for the future "green" energy products, contributing to CO2 emission targets; the affordable housing fund which supports new build social housing by registered providers; and work to a number of travellers' sites within the borough.
78. The housing renewal programme is mainly funded from corporate resources but

also attracts external funding from the GLA. Southwark was successful in getting one of 10 low carbon zones within the London area which has levered in additional funding from the GLA, supplemented £420k external income for Solar Hot Water and allowed the Council to negotiate private sector funding from British Gas in the region of £2m. The affordable housing fund is funded solely from section 106 contributions from private developers.

79. In 2010/11 the travellers site scheme at Burnhill Close was close to completion and all payments due from the affordable housing fund for the scheme in progress at Canada Water have now been paid
80. The new ten year programme totals £13.6m of which £10m is funded from corporate resources with the balance coming from section 106 funds and external grants.

Housing Investment Programme

81. The Housing Investment Programme and Revised Strategy report to cabinet on 31 May 2011 provided detail of the housing investment programme (HIP), the resources available and how these would be used to provide warm, dry and safe homes across the borough.
82. The report described the programme which delivers investment in the Council's own housing stock, both directly through works to dwellings and estates, and through housing related regeneration projects. Expenditure consists of both capital and revenue associated with non-capital works such as external decorations, which may be carried out together with capital projects to maximise value for money. The figures in appendix B include £36m of revenue expenditure, giving a net capital programme of £416m over 2011-16.
83. The HIP is funded from a number of different sources. The main source is the Major Repairs Allowance (MRA) from central government at some £39m per year, representing 45% of overall resources for the 5-year programme. Other revenue funding for the HIP includes reserves earmarked for specific purposes (such as the Aylesbury regeneration scheme), and income from leaseholder contributions towards the cost of works carried out. With the supported borrowing approval from central government ending in 2010/11, the availability of capital receipts linked to the HIP is of increased importance, providing approximately 35% of resources. Other funding is received in the form of grant for specific projects or purposes, such as the new build council homes currently under construction, and ongoing energy efficiency improvements.
84. The focus of the programme in recent years has been towards meeting decent homes targets, but in common with the general fund programme, market factors have made both the level and timing of receipts less predictable. This led to a significant re-profiling of the current two year programme, with a consequent reduced outturn against forecast. In spite of this the target of 1,700 dwellings to be made decent in 2010/11 was exceeded with a total of 1,956 achieved.
85. For the 2011-2016 programme, the emphasis has shifted towards making all homes warm dry and safe, through both internal and external works, which objective receives the majority of resources. Within this category there is a significant allocation for fire safety works, for which a corporate funding contribution is included in the programme. Other elements of the programme

cover essential activity to enable Southwark to meet its obligations as a landlord, and housing contributions to wider regeneration programmes such as Heygate and Aylesbury.

86. The overall value of the 5-year housing investment capital programme is estimated at £416m. Possibilities to increase resources for the programme are being explored, including increasing the level of disposals, S106 developer contributions, and the recent bid for government decent homes backlog funding. While the outcome of this bid was disappointing, and clarification is needed as to how funding would be made available, any increase in resources above current assumptions will be used to bring forward the planned programme in line with its existing priorities.

Overall Summary of Refreshed Capital Programme

87. A review of the capital programme by the Audit Commission, which reported in March 2011, highlighted profiling issues and recommended that a balanced programme be agreed on a year on year basis.
88. The overall 10-year programme shows a favourable variance between resources and forecast expenditure of £63.8m. This variance allows for the future inclusion of projects which are key priorities, service critical or ease the pressure on revenue budgets.
89. The 2011/12 programme shows a potential funding shortfall of £12m. Given the scale and complexity of the programme there is likely to be significant variation in the profile of the spend. The risk of presenting what appears to be a balanced programme in any one year is that fewer projects will be commissioned and commence. Should any of these then be delayed by unforeseen circumstances, there will be available resources in that year, which could not be quickly redirected to other projects. Whilst planning for reprofiling and natural slippage is not desirable, given a programme of this size it is reasonable to anticipate that at least some parts of some projects will be delayed in year.
90. The programme will be closely monitored in-year, to ensure that the resources available are sufficient to meet all in-year planned expenditure, with quarterly monitor reports being presented to Cabinet. Should all the projects planned for this year be on track to be successfully delivered then the actions detailed in paragraph 112 to call on short term funding options would need to be invoked to ensure a balanced position between resources and spend at year end. The authority also has the option of considering prudential borrowing to fund capital schemes, however, this is not currently considered to be a necessary form of funding and would require approval from Council Assembly in advance.
91. The Constitution requests an update of the capital programme at least once every 4 years. Given the size of the current programme and the potential volatility of funding sources, the programme is formally reported to Cabinet quarterly. This report recommends that this programme is updated again in February 2012 to ensure it remains a ten-year capital programme and to address council priorities which have not been successful through the Olympics legacy scheme.

Community impact statement

92. This report addresses expenditure on capital projects within the council. The projected expenditure reflects plans designed to have an impact on local people and communities, which will be considered at the time the services and programmes are agreed. It is important that resources are efficiently and effectively utilised to support the council's policies and objectives.
93. Each project within the council's capital programme will be considered in respect of its impact on age, disability, faith/religion, gender, race and ethnicity and sexual orientation.
94. The council's capital programme is designed to deliver projects of value to local people.

Resource implications

95. This report forms part of the council's budget framework. It identifies potential projects for inclusion in the capital programme and the resources available for that programme.
96. The delivery of the projects included within the programme will be identified on a project by project basis, and will generally be within the current staffing of the council.

Legal implications

97. The legal implications of this report are identified in the concurrent report of the Strategic Director of Communities, Law & Governance shown below.

Financial implications

98. This report fully explores the financial implications of the capital programme update. The report presents a capital programme over 10 years where predicted resources are sufficient to meet anticipated spend.

Consultation

99. Consultation on the overall programme has not taken place. However, each of the individual projects are subject to such consultation as is required or desirable when drawing up the schemes. Some of these will be more extensive than others, for example projects with an impact on the public realm. Some projects, such as those funded by grant or s106 may require consultation with those providing funding.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

100. Under the constitution the cabinet are responsible for the Council's capital programme, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders.
101. The Council has a duty to maintain a balanced budget and, accordingly,

members are required to regularly monitor the Council's financial position throughout the year. Section 28 of the Local Government Act 2003 imposes a duty on the Council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in the original budget calculations. The Council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.

102. The Capital Programme 2011/12 to 2020/21 satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.
103. By agreeing the recommendations in the report the cabinet will demonstrate that it has made adequate arrangement for the proper administration of the council financial affairs.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Capital Programme Monitoring and Report and Refresh - 10 Year Capital Programme	Finance & Resources 160 Tooley Street, London SE1 2QH	Cathy Doran 020 7525 4396
Capital Monitoring report – Q1	Finance & Resources 160 Tooley Street	Cathy Doran 020 7525 4396
Capital Monitoring report – Q2	Finance & Resources 160 Tooley Street	Cathy Doran 020 7525 4396
Capital Monitoring report – Q3	Finance & Resources 160 Tooley Street	Cathy Doran 020 7525 4396

APPENDICES

No.	Title
Appendix A	General Fund Capital Programme 2011–2021
Appendix B	Housing Investment Programme 2011–2016
Appendix C	Changes to the Existing General Fund Capital Programme
Appendix D	New Capital Schemes for Approval
Appendix E	Children's Services Capital Programme Update
Appendix F	Detailed General Fund Capital Programme 2011-2021

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Duncan Whitfield, Finance Director	
Report Authors	Cathy Doran, Head of Financial Monitoring, Budgets and Programming and Sue Emmons, Senior Financial Strategy Accountant (Capital)	
Version	Final	
Dated	9 June 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	No concurrent required
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	10 June 2011	

Department	2011/12			2012/13			2013/14		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	14,059	14,059	0	26,766	26,766	0	9,600	9,600	0
Southwark Schools for the Future	48,559	48,559	0	56,548	56,548	0	8,508	8,508	0
Finance and Resources	3,513	3,513	0	2,713	2,713	0	558	558	0
Environment	27,948	27,948	0	22,515	22,515	0	13,880	13,880	0
Health and Community Services	2,209	2,209	0	1,195	1,195	0	0	0	0
Housing General Fund	6,318	6,318	0	3,355	3,355	0	1,648	1,648	0
Regeneration and Neighbourhoods	16,917	16,917	0	7,461	7,461	0	2,081	2,081	0
TOTAL	119,523	119,523	0	120,553	120,553	0	36,275	36,275	0
FINANCED BY:									
S106 Unapplied @ 31.03.11	2,204	2,204	0	0	0	0	0	0	0
Section 106 Funds - New	2,848	2,848	0	663	663	0	770	770	0
Corporate Resource Pool	27,384	27,384	0	39,000	39,000	0	24,000	24,000	0
Receipts from Accomodation strategy	300	300	0	6,000	6,000	0	0	0	0
Payback of Housing Receipts	0	0	0	(1,883)	(1,883)	0	(1,883)	(1,883)	0
General fund Contribution to HIP	0	0	0	(5,768)	(5,768)	0	(5,000)	(5,000)	0
Reserves & Revenue	1,365	1,365	0	2,906	2,906	0	0	0	0
SSF Capital Grant	46,576	46,576	0	48,742	48,742	0	6,095	6,095	0
Capital Grants	16,075	16,075	0	9,364	9,364	0	6,600	6,600	0
LPSA Reward grant - capital	1,300	1,300	0	0	0	0	0	0	0
LPSA Reward grant - revenue	2,834	2,834	0	0	0	0	0	0	0
New Homes Bonus	1,090	1,090	0	3,436	3,436	0	5,782	5,782	0
Section 106 Funds	5,303	5,303	0	1,762	1,762	0	0	0	0
External Contributions	207	207	0	1,548	1,548	0	500	500	0
TOTAL RESOURCES		107,486	0		105,770	0		36,864	0
Forecast variation (under)/over		12,037	0		14,783	0		(589)	0
Cumulative position		12,037			26,820			26,231	

Department	2014/15			2015/16			2016/17		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	2,213	2,213	0	5,000	5,000	0	3,000	3,000	0
Southwark Schools for the Future	2,302	2,302	0	0	0	0	0	0	0
Finance and Resources	705	705	0	0	0	0	550	550	0
Environment	7,930	7,930	0	9,630	9,630	0	11,380	11,380	0
Health and Community Services	0	0	0	0	0	0	0	0	0
Housing General Fund	1,511	1,511	0	395	395	0	395	395	0
Regeneration and Neighbourhoods	1,073	1,073	0	0	0	0	0	0	0
TOTAL	15,734	15,734	0	15,025	15,025	0	15,325	15,325	0
FINANCED BY:									
S106 Unapplied @ 31.03.11	0	0	0	0	0	0	0	0	0
Section 106 Funds - New	1,170	1,170	0	1,170	1,170	0	1,045	1,045	0
Corporate Resource Pool	36,000	36,000	0	21,000	21,000	0	17,000	17,000	0
Receipts from Accomodation strategy	0	0	0	0	0	0	0	0	0
Payback of Housing Receipts	(1,883)	(1,883)	0	0	0	0	0	0	0
General fund Contribution to HIP	0	0	0	0	0	0	0	0	0
Reserves & Revenue	0	0	0	0	0	0	0	0	0
SSF Capital Grant	0	0	0	0	0	0	0	0	0
Capital Grants	2,097	2,097	0	2,000	2,000	0	0	0	0
LPSA Reward grant - capital	0	0	0	0	0	0	0	0	0
LPSA Reward grant - revenue	0	0	0	0	0	0	0	0	0
New Homes Bonus	8,128	8,128	0	10,475	10,475	0	12,821	12,821	0
Section 106 Funds	0	0	0	0	0	0	0	0	0
External Contributions	0	0	0	0	0	0	0	0	0
TOTAL RESOURCES		45,512	0		34,645	0		30,866	0
Forecast variation (under)/over		(29,778)	0		(19,620)	0		(15,541)	0
Cumulative position		(3,547)			(23,167)			(38,708)	

Department	2017/18			2018/19			2019/20		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	0	0	0	0	0	0	0	0	0
Southwark Schools for the Future	0	0	0	0	0	0	0	0	0
Finance and Resources	550	550	0	815	815	0	815	815	0
Environment	6,380	6,380	0	6,380	6,380	0	6,380	6,380	0
Health and Community Services	0	0	0	0	0	0	0	0	0
Housing General Fund	0	0	0	0	0	0	0	0	0
Regeneration and Neighbourhoods	0	0	0	0	0	0	0	0	0
TOTAL	6,930	6,930	0	7,195	7,195	0	7,195	7,195	0
FINANCED BY:									
S106 Unapplied @ 31.03.11	0	0	0	0	0	0	0	0	0
Section 106 Funds - New	670	670	0	675	675	0	670	670	0
Corporate Resource Pool	21,000	21,000	0	10,000	10,000	0	10,000	10,000	0
Receipts from Accomodation strategy	0	0	0	0	0	0	0	0	0
Payback of Housing Receipts	0	0	0	0	0	0	0	0	0
General fund Contribution to HIP	0	0	0	0	0	0	0	0	0
Reserves & Revenue	0	0	0	0	0	0	0	0	0
SSF Capital Grant	0	0	0	0	0	0	0	0	0
Capital Grants	0	0	0	0	0	0	0	0	0
LPSA Reward grant - capital	0	0	0	0	0	0	0	0	0
LPSA Reward grant - revenue	0	0	0	0	0	0	0	0	0
New Homes Bonus	0	0	0	0	0	0	0	0	0
Section 106 Funds	0	0	0	0	0	0	0	0	0
External Contributions	0	0	0	0	0	0	0	0	0
TOTAL RESOURCES		21,670	0		10,675	0		10,670	0
Forecast variation (under)/over		(14,740)	0		(3,480)	0		(3,475)	0
Cumulative position		(53,448)			(56,928)			(60,403)	

Department	2020/21			Total		
	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	0	0	0	60,638	60,638	0
Southwark Schools for the Future	0	0	0	115,917	115,917	0
Finance and Resources	865	865	0	11,084	11,084	0
Environment	6,380	6,380	0	118,803	118,803	0
Health and Community Services	0	0	0	3,404	3,404	0
Housing General Fund	0	0	0	13,622	13,622	0
Regeneration and Neighbourhoods	0	0	0	27,532	27,532	0
TOTAL	7,245	7,245	0	351,000	351,000	0
FINANCED BY:						
S106 Unapplied @ 31.03.11	0	0	0	2,204	2,204	0
Section 106 Funds - New	675	675	0	10,356	10,356	0
Corporate Resource Pool	10,000	10,000	0	215,384	215,384	0
Receipts from Accomodation strategy	0	0	0	6,300	6,300	0
Payback of Housing Receipts	0	0	0	(5,649)	(5,649)	0
General fund Contribution to HIP	0	0	0	(10,768)	(10,768)	0
Reserves & Revenue	0	0	0	4,271	4,271	0
SSF Capital Grant	0	0	0	101,413	101,413	0
Capital Grants	0	0	0	36,136	36,136	0
LPSA Reward grant - capital	0	0	0	1,300	1,300	0
LPSA Reward grant - revenue	0	0	0	2,834	2,834	0
New Homes Bonus	0	0	0	41,732	41,732	0
Section 106 Funds	0	0	0	7,065	7,065	0
External Contributions	0	0	0	2,255	2,255	0
TOTAL RESOURCES		10,675	0		414,833	0
Forecast variation (under)/over		(3,430)	0		(63,833)	0
Cumulative position		(63,833)				

HRA anticipated allocations	2011/12	2012/13	2013/14	2014/15	2015/16	Total £m
Warm dry and safe	66.2	58.1	60.4	61.4	80.4	326.5
Central heating - communal	3.2	1.4	1.0	1.0	1.0	7.6
Central heating - individual	4.3	0.0	4.8	4.8	4.8	18.7
Energy efficiency (heating plant)	1.3	0.0	0.2	0.2	0.2	1.9
Energy efficiency (wall/loft insulation)	1.1	0.2	0.0	0.0	0.0	1.3
Entryphones	0.3	0.3	0.3	0.3	0.3	1.5
Fire safety	16.2	2.1	1.1	1.1	1.1	21.6
Lifts	2.5	2.5	3.0	3.0	3.0	14.0
Major works	32.0	42.0	43.0	44.0	63.0	224.0
Minor voids capitalisation	3.0	3.0	3.0	3.0	3.0	15.0
Minor voids W DS works	1.0	1.0	1.0	1.0	1.0	5.0
Rewiring	1.4	3.6	2.0	2.0	2.0	11.0
Tanks/tank rooms refurbishment	0.1	1.9	1.0	1.0	1.0	5.0
Regeneration	25.7	20.7	14.5	9.7	5.2	75.7
Aylesbury phase 1 (incl. PCs)	5.2	9.4	9.9	2.2	0.0	26.7
Aylesbury future phases	0.0	0.0	0.0	5.0	4.0	9.0
Aylesbury PPM	4.9	2.8	0.9	0.9	0.9	10.4
Bermondsey Spa refurb	2.0	0.1	0.0	0.0	0.0	2.1
East Dulwich Estate	3.5	0.9	0.0	0.0	0.0	4.4
Elmington	0.6	2.7	1.3	0.2	0.0	4.8
Giles Carton Darnay	0.0	0.0	0.0	0.0	0.0	0.0
Heygate Estate (incl. PCs)	3.9	2.8	0.0	0.0	0.0	6.7
Hidden homes	0.1	0.3	0.3	0.3	0.1	1.1
Home loss payments	0.2	0.2	0.2	0.2	0.2	1.0
Hostel new build	0.1	1.4	2.0	1.0	0.0	4.5
Local Authority New Build	3.1	0.1	0.0	0.0	0.0	3.2
Maydeu House	1.8	0.0	0.0	0.0	0.0	1.8
Other programmes	15.1	9.9	8.2	8.2	8.2	49.5
Adaptations	2.5	2.5	2.0	2.0	2.0	10.9
Capitalisation of scheme management	1.6	1.6	1.6	1.6	1.6	8.0
Cash incentive scheme	0.3	0.4	0.3	0.3	0.3	1.5
Community Housing Services (hostels)	1.2	1.0	0.8	0.8	0.8	4.6
Digital switchover	1.6	1.2	0.0	0.0	0.0	2.8
Disposals	0.5	0.5	0.5	0.5	0.5	2.5
Fire reinstatement	2.9	0.1	0.2	0.2	0.2	3.6
Lakanal/Sumner buy-backs and home loss	0.1	0.0	0.0	0.0	0.0	0.1
Leasehold/freehold acquisitions	0.3	0.3	0.3	0.3	0.3	1.5
Major voids	1.9	1.6	1.5	1.5	1.5	8.0
Misc	0.1	0.1	0.0	0.0	0.0	0.3
Office accommodation	0.5	0.2	0.2	0.2	0.2	1.3
Play areas / environmental	0.1	0.0	0.1	0.1	0.1	0.4
Sheltered housing	1.2	0.1	0.2	0.2	0.2	1.9
T&RA halls	0.3	0.3	0.5	0.5	0.5	2.1
Totals	106.9	88.6	83.1	79.3	93.8	451.8

HRA anticipated resources	2011/12	2012/13	2013/14	2014/15	2015/16	Total £m
Underspend/unallocated brought forward	26.5	0.7	1.4	0.7	4.4	26.5
Capital receipts currently available	0.0	1.9	1.9	1.9	0.0	5.6
Capital receipts - projected	10.0	10.0	10.0	10.0	12.8	52.8
Capital receipts - projected voids	8.0	8.0	8.0	8.0	5.2	37.2
Capital receipts - projected EDE/Hostels	0.0	0.0	0.0	0.0	0.0	0.0
E&C reimbursement	0.0	4.0	5.0	10.0	1.0	20.0
General fund contribution to HIP	0.0	5.9	5.0	0.0	0.0	10.9
MRA/MRR	43.7	42.0	39.6	40.1	40.1	205.4
Revenue contributions	13.9	12.7	12.7	12.7	12.7	64.8
Supported borrowing	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Other funding						
Aylesbury programme	0.3	4.3	0.0	0.0	0.0	4.6
Energy grants	0.6	0.0	0.0	0.0	0.0	0.6
GLA grant: extensions/deconversions	0.1	0.0	0.0	0.0	0.0	0.1
GLA grant: other	0.7	0.1	0.0	0.0	0.0	0.8
HCA grant	1.2	0.0	0.0	0.0	0.0	1.2
Insurance	2.2	0.1	0.0	0.0	0.0	2.3
New homes bonus	0.3	0.3	0.3	0.3	0.3	1.5
Pooled contributions	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.0	0.0	0.0	0.0	0.3
Backlog funding unconfirmed	0.0	0.0	0.0	0.0	18.0	18.0
Totals	107.7	90.0	83.9	83.7	94.5	452.6

HRA resources v allocations	2011/12	2012/13	2013/14	2014/15	2015/16
Projected resources	107.7	90.0	83.9	83.7	94.5
Projected expenditure	106.9	88.6	83.1	79.3	93.8
Net position (cumulative)	0.7	1.4	0.7	4.4	0.8

Department	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services											
Canada Water contribution	(300)										(300)
Rotherhithe contribution - reprofiled				(6,000)	3,000	3,000					0
Finance & Resources											
Reprofile of small ICT projects budget	(690)	(45)	(45)	(15)				265	265	265	0
Southwark Schools for the Future											
Contingency reinstated	3,000	3,000									6,000
Reduction in contingency	(2,500)										(2,500)
Environment											
Increase and reprofile of CGS Budget	(1,122)	(4,703)	(1,370)	(1,341)	(194)	1,880	1,880	1,880	1,880	1,880	670
Art Acquisitions - external funding lost	(25)	(10)	(10)	(10)	(10)						(65)
Increase and reprofile Kingswood House Refurb	(230)				250						20
Road Maint from 2010/11 reprofiled	(2,050)		1,000	1,050							0
Road Maint from 2009/10 reprofiled	(1,000)	1,000									0
Reduction in funding for MUSCO not proceeding	(300)	(200)									(500)
Reprofiled risk-based lamp column replacement	(500)	(500)	(500)	(500)	(500)	500	500	500	500	500	0
Housing General Fund											
Reprofile Small works grants	(150)	(50)	50	50	50	50					0
Reprofile Home repair loan	(335)	(325)	165	165	165	165					0
Reprofile Home repair grant	(440)	(200)	160	160	160	160					0
Reprofile Landlord grants	(80)		20	20	20	20					0
Regeneration & Neighbourhoods											
Reprofile Support for New Voluntary Sector Infrastructure	(1,073)			1,073							0
TOTAL	(7,795)	(2,033)	(530)	(5,348)	2,941	5,775	2,380	2,645	2,645	2,645	3,325

Additions to General Fund Capital Programme

Appendix D

Department	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services											
Free and healthy school meals capital works	500										500
3 Primaries additional funding	1,500										1,500
Rotherhithe Primary				2,000	2,000						4,000
Plant, fabric and modernisation	500										500
New places and improvements	300										300
Items subject to further approval/delegated decision		5,689									5,689
Finance and Resources											
Refresh capital contingency reserve						550	550	550	550	600	2,800
Essential Upgrade to Carefirst Computer System	645	2,155									2,800
Environment											
Olympics Legacy	1,450	550									2,000
Elephant & Castle Leisure Centre	1,000	12,000	6,500	500							20,000
Non-principal road programme											20,000
Seven Islands Leisure Centre					3,000	4,000	4,000	4,000	4,000	4,000	8,000
Camberwell Leisure Centre contribution	521					5,000					521
Peckham Rye one o'clock club		100									100
Upgrade of essential CCTV	100	180									280
Additional cemetery spaces	410										410
TOTAL	6,926	20,674	6,500	2,500	5,000	9,550	4,550	4,550	4,550	4,600	69,400
FINANCED BY:											
Corporate Resources	2,971	12,650	6,500	500	3,000	9,550	4,550	4,550	4,550	4,600	53,421
Earmarked Reserves	968	2,335									3,303
External grant	187										187
DFE grant allocation for 2011/12	2,800	5,689		2,000	2,000						12,489
TOTAL	6,926	20,674	6,500	2,500	5,000	9,550	4,550	4,550	4,550	4,600	69,400

CHILDREN'S SERVICES CAPITAL PROGRAMME UPDATE

- 1 In December 2010 the Department for Education (DfE) announced the capital allocations for schools for 2011/12. This is a one year settlement pending a review commissioned by the Secretary of State from Sebastian James into the system of allocation and commissioning school capital projects. This also encompassed consideration of the Building Schools for the Future programme, substantially curtailed by the incoming government in July 2010.
- 2 The James Review report was released by the DfE on Friday 8 April 2011 and makes a number of wide ranging recommendations. The Secretary of State is expected to issue his response shortly.
- 3 For the 2011/12 programme, the Secretary of State set out two main priorities for capital spending, and these are the provision of new places to meet the anticipated growth in rolls, and building condition. He also indicated that, although capital resources overall would be substantially reduced because of the decisions around the BSF programme, the broad level of funding indicated for 2011/12 would continue for this Parliament regardless of the outcome of the James review.
- 4 The settlement includes the continuation of the locally controlled voluntary aided programme for schools (LCVAP) as well as Devolved Formula Capital (DFC), although this latter was reduced to 20% of its previous level. This will have a significant impact on local school level budgets for capital renewal and modernisation. LCVAP and DFC for VA schools continues at 90%, with governors meeting the balance of 10% on all projects.
- 5 The Southwark settlement is as follows:
- | | |
|---------------------------------------|---------|
| • Basic Need | £9.33m |
| • Capital maintenance | £3.16m |
| Total centrally held | £12.49m |
| • LCVAP (100%) | £1.63m |
| • Devolved Formula Capital (non VA) | £0.45m |
| • Devolved Formula Capital (VA, 100%) | £0.29m |
| Total DFC and LCVAP | £2.37m |
| Total | £14.86 |
- 6 For comparison purposes, the primary capital programme for 2009/11 was £24m, with an additional £12m granted in 2009 for additional primary places. With other resources, this supported a primary capital programme of just over £35m. In addition, LCVAP was just over £2m per year.
- 7 In contrast to previous years, all the resources announced for 2011/12 are classified as grant. Although the 2009/11 allocation was nominally larger than shown above, a significant element was made up of borrowing approvals which the Council did not take up because of the revenue cost.
- 8 The DfE statement set out that Basic Need grant is to cover new places at all tax payer funded schools, regardless of status.

CAPITAL STRATEGY

- 9 The previous capital programme was based upon a 'primary strategy for change' process set out by the DfE, agreed locally with head teachers and by the DfE as a basis on which funds were passed to the Council. The strategy was required to set out ambitious targets for the renewal and modernisation of the primary estate, including at least one new school. In Southwark this was agreed to be Cherry Garden primary special school.
- 10 A key principle emerging from the local plan was to establish the 2FE model as the optimum size of primary schools, although recognising that very successful schools existed both smaller and larger. Where possible, 1.5 FE schools would be enlarged and larger schools reduced. Other strands included the modernisation of kitchens with an emphasis on healthy eating, and improvements to early years, as well as fabric and condition issues.
- 11 Three major primary school projects were included in the primary capital programme funded from previous years. Two of these, Michael Faraday and Eveline Lowe, are now virtually complete and involved rebuilding and enlargement from 1.5 to 2 FE. These projects were seen as exemplars of the national strategy for excellence, addressing the particular needs in the inner city, and included both Victorian and post war listed buildings. The third of these, Southwark Park, is being redesigned in order to secure greater cost certainty and should now be completed in 2013.
- 12 With the rapid increase in primary rolls emerging in 2009, the emphasis changed from modernisation towards the provision of new places. The additional funds received from the DfE for this purposes were allocated towards schemes supporting both permanent enlargement and bulge classes. Capital investment was made where needed to ensure that bulge classes resulted in permanent improvements. Temporary accommodation has only been used as a first stage where permanent expansion is planned.
- 13 It is proposed that these themes are continued into the 2011/12 capital programme, taking into account the priority for new places and capital maintenance. Where investment is being made, whether as part of permanent expansion or for bulge classes, the opportunity is taken to upgrade the building fabric, teaching spaces and infrastructure to current standards.
- 14 The need for primary places continues with growth projected in all areas of the borough. Whereas previously the pattern had indicated that the high demand experienced in the south would fall back, the latest projections from the GLA suggest that the growth is likely to be sustained. Although the dwelling stock in the south is largely unchanged, this indicates a shift in the underlying demographic pattern towards more homes in long term family occupation. In the centre and north, the growth is driven largely by regeneration and new housing.
- 15 There will be a continuing need to expand primary schools to meet this level of demand. In the short term, this can be achieved by bulge classes but where there is a long term need for permanent enlargement this will be considered, with the 2FE model as a guide.
- 16 The capital strategy would also encompass the need to provide for children with special educational needs, whether in mainstream or special schools or

- supported units. The standard brief requires inclusive provision in all adaptations and extensions, and that would include access. No additional specific SEN provision is proposed in 2011/12.
- 17 The requirement for greater community use of and access to school facilities continues, and where capital work is being done consideration is given to the scope to maximise out of hours use for local residents. However, no specific new proposals are being made at this stage.
 - 18 Along with the demand for new places there is a need to ensure that the school estate is modernised and adapted to meet the changing demands of the curriculum. The replacement of poor quality and unsuitable buildings, such as temporary classrooms needs to continue as these often incur high running and repair costs, whilst at the same time offering inadequate teaching spaces, often not connected with the main building or separated from other classrooms teaching the same age range. Temporary classrooms should be integrated in permanent accommodation where necessary and possible.
 - 19 Another driver for modernisation is the need to ensure that classrooms are large enough to accommodate 30 children. In a number of cases, the teaching spaces in many older schools are smaller and it can mean that schools either have to sustain very cramped conditions or pay the additional staff costs in order to operate smaller class sizes, where rooming permits. The remodelling of teaching accommodation also provides the opportunity to carry out modernisation and to support the raising of standards.
 - 20 Schemes will also be prioritised where schools need urgent assistance to be supported out of Ofsted categories, i.e. 'notice to improve' or 'special measures'. The Secretary of State has made it a requirement for schools in the latter category to come out within a year. In cases where building issues are compounded with budget difficulties, the required improvements can be challenging to overcome and in these cases it is necessary to support schemes with short term assistance to make changes where needed.
 - 21 There is a continuing need for the renewal of plant and fabric as well as modernisation of the school estate. These are indicated by condition surveys carried out in the course of modernisation proposals as well as by schools as part of their delegated maintenance responsibilities. These would include major rewiring, renewal of heating and pipework, roof and window repairs as well as internal changes to improve management, access and delivery of the curriculum such as the development of the foundation stage. Such repairs would be prioritised to minimise the disruption to schools and to prevent the loss of curriculum time because of failure of plant or machinery.
 - 22 The Council has committed to introducing free healthy school meals for all children in Southwark's primary schools. The programme includes capital improvements to kitchens to provide for the increase in capacity where required.
 - 23 In the light of the recently published James Review of School Capital Funding and the change in the infrastructure of local schools the capital strategy is under review and will be refreshed for 2012-13.

CAPITAL PROPOSALS

- 24 The broad balance of the recommended programme is to allocate some £3.5m to the provision of new places and modernisation, and a further £3.1m to plant, fabric and maintenance projects and the balance to meet existing commitments. Many of the new places proposals will also include an element of renewal and modernisation.

Commitments from previous years

- 25 The difficulties and challenges of building in the inner city were highlighted in the major three school rebuilding project. Whilst some of the additional costs could be met by savings elsewhere within the 2009-11 capital programme, it is considered prudent to make allowance for a further £1.5m to meet additional costs and commitments arising from the 2009-11 programme.
- 26 The scope and funding for Southwark's Phase 3 BSF programme was agreed by Executive in March 2010. This included an additional allocation of £4m of funding from the Primary Capital Programme 2009-11 to the BSF Capital Contingency in relation to the primary element of the proposed New School Rotherhithe project. At present, the DfE has not yet confirmed its revised allocation in that regard, and therefore the funding of the 2009-11 primary programme is still at risk. It is recommended that for the present a sum of £4m be allocated from the 2011-12 capital budget to meet that funding gap, to enable the relocation and enlargement of Cherry Garden Special and refurbishment of Gloucester Primary Schools to go ahead. This will supplement the existing provision in the 2009-11 PCP of £8.5m.
- 27 When the funding envelope for any new Rotherhithe secondary school project has been confirmed it may be possible to release some or all of this £4.0m allocation. At that stage, projects to provide new school places can come forward for approval to Cabinet, subject to the availability of resources within the overall Children's Services capital programme.

Provision of new primary school places

- 28 The most pressing need for new places remains in the south of the borough in Nunhead and Peckham Rye, Camberwell and Dulwich where the demand continues at around 2 forms of entry above the current capacity. Although this can continue to be managed by bulge classes at this level for the next two years, the long term position with regard to permanent capacity may have to be reconsidered.
- 29 The proposed 2011/12 programme includes £2.5m for new permanent places in primary schools. Proposals are under consideration to meet the needs set out in this report and will be subject to separate cabinet approval. Additional funding may become available to meet the requirement for new places of up to £4m from the Rotherhithe project as described in paragraphs 25 & 26 above.
- 30 The opening of bulge classes is intended to meet the immediate need for additional primary places and by bringing in additional resources is in line with the strategy of strengthening outstanding, good and popular local schools. Further analysis of late applications for places in September 2011 will inform the planning process for further new places in addition to those identified below.

- 31 The Harris Federation has been given approval to open a primary Free School of 2 forms of entry within surplus accommodation at the Peckham Academy from September 2012. This will assist in meeting the demand for places in the centre of the borough.
- 32 In the Bermondsey and Rotherhithe areas in the north of the borough, projections indicate that at least two forms of entry [of additional capacity] is required. This will be met by bulge classes and permanent expansion. Borough and Bankside, by contrast, has sufficient places to meet medium term requirements and should require no adjustment.
- 33 As part of the strategy to meet the demand for additional places in the Bermondsey area, proposals are in hand to expand St. Joseph's RC Primary School from 1.5 to 2 FE. This is expected to become available in 2012/13 and is unlikely to represent a call on this programme.
- 34 The remaining requirements in the north of the borough would be found from bulge classes in the short to medium term. This would provide the flexibility from year to year to add more places without the need for substantial additional investment at this stage. There is scope to enlarge other existing 1.5FE schools to 2FE but this would require further assessment later in the programme, and would be subject to ongoing funding.
- 35 The strategy to provide additional places by bulge classes will require the investment in minor works to secure associated changes on school sites. A block sum of £1m is proposed at this stage to support schemes of this nature. This would be to provide permanent alterations to meet the foundation stage requirements such as age appropriate toilets and playgrounds in schools taking bulge classes. It is recommended that named schemes be approved as necessary in consultation with the schools concerned, by the Strategic Director of Children's Services in consultation with the Cabinet member.
- 36 Where schools are rationalised to a lower planned size, for instance to avoid half form entry classes and mixed age teaching, some accommodation may become available in the medium term. It may then be possible to open bulge classes at a later date, maximising the use of the available space but retaining the principle of single age classes. In these circumstances, some alteration and modernisation may be required.
- 37 A block sum of £300,000 is included to support the costs of making improvements to Alma Primary School as part of the proposal to amalgamate with St. James CE School, Bermondsey. This is a programme of necessary repairs and improvements to ensure that the school building is in good condition and appropriate for the planned model for delivery of the curriculum, in order to underpin the required improvement in standards. This would include upgrading of the kitchen, the toilets, external doors and windows as well as improvements to the main reception area.

Plant, fabric and modernisation

- 38 An overall programme of £3.1m is proposed to secure plant, fabric and modernisation at community and foundation schools is proposed as part of the capital programme based on outstanding recommendations from condition surveys done as part of the asset management plan. Each proposal is subject to assessment to validate its priority and the outline budget allocation required. This would include rewiring, replacement of building services, replacement of fabric such as roofing and cladding as well as internal modernisation. The James review recommends the continuation and development of asset management plans as the basis for maintaining the school estate.
- 39 Approval is sought to support the cost of heating works at Crawford Primary School, currently in special measures, at a cost of £150,000 including fees. This work, to boilers and pipework is required to start this summer in order to ensure that the system is fully operational in the autumn term for the start of the heating season.
- 40 Work is required at Langbourne Primary School to deal with mechanical and electrical services, some of which is urgent. A sum of £150,000 is recommended to be set aside pending the resolution of current investigations.
- 41 Similar work is also needed at Camelot Primary School. The electrical services in these buildings, including the fire alarm have been assessed and have now reached a point where it should be renewed in order to ensure ongoing compliance. Replacement parts cannot now be obtained for the lighting system, and renewal would also secure carbon savings. The estimated cost is £200,000.
- 42 The reduction in devolved capital by some 80% compared with the previous year was noted above. This will reduce substantially schools' ability to meet their responsibilities for capital repairs, maintenance and ICT. It is proposed that a £0.5m challenge fund should be established within the capital maintenance allocation to allow schools to bid for up to 50% of the cost of eligible schemes, using corporate services and contractors on the approved list. The contribution would take into account school balances. These schemes would generally be under £50,000.
- 43 It is proposed that access schemes should be included in the challenge fund. Schools may put forward proposals as part of their access plans to make permanent adaptations to meet the needs of users with motor disabilities. Where changes are required to ensure that a pupil can be admitted to a school, the contribution may be reduced.
- 44 It is also proposed to support capital improvements to meet schemes for carbon reduction at schools where the payback periods are within five years, thus reducing the Council's carbon tax. A number of schools have already entered a programme to identify appropriate savings, with the incentive that suitable schemes are considered for funding, and this would be continued. These projects would be found within the £0.5m block sum above. Some higher cost projects with significant CO² savings may be more appropriately done within the plant replacement programme.

- 45 Hitherto, where major plant, fabric and modernisation schemes have been programmed at schools, such as the renewal of windows, roofs and boilers, a contribution of 10% up to £50,000 has been required, reflecting the schools' joint responsibility for their buildings. In recognition of the reduced DFC allocations it is proposed to lower the minimum contribution to 50% of the equivalent 3 years DFC allocation, i.e. for 1FE schools £10,000, 2FE £14,000 and 3FE £18,000, unless schools hold higher balances.
- 46 A block sum of £0.5m is also included for the improvement of school kitchens and dining areas to ensure delivery of free healthy primary school meals. This would be allocated to schemes identified in the recent audit of kitchens where additional facilities or modernisation is required. This is the first instalment of a three year programme to support the roll out of the free healthy primary school meals initiative.
- 47 It is recommended that named schemes be approved for the balance of the plant, fabric and modernisation programme (£1.68m) as necessary, the challenge fund (£0.5m), and the works to school kitchen in consultation with the schools concerned, by the Strategic Director of Children's Services in consultation with the Cabinet member.
- 48 Arrangements are in hand with the Diocesan Boards to allocate the LCVAP funding of £1.63m across a range of fabric and modernisation projects at voluntary schools, broadly in proportion to the number of school in each denomination but based on assessed need. It would also include some contribution to meeting the need for additional places where these are being provided as part of a capital scheme, although in such cases governors' contribution may be met in part by the Council. This would be found from the block allocation for bulge classes.

Value for money

- 49 There is increasing emphasis on demonstrating value for money in all capital projects. The Government is reviewing the methods of procurement in the James review to seek ways of streamlining the commissioning of building works in an attempt to reduce costs. In Southwark's case, this is being done in part through an extension of the Local Education Partnership with 4 Futures, established to deliver the £200m Building Schools for the Future programme. There was scope within the original OJEU to increase the value of works by up to another £200m across the Council. Three major capital projects in the 2009-11 primary capital programme are being found by this route, and it offers greater certainty of cost outcome and significant risk transfer. With the same approach to design and consultation as for BSF schools, there is scope to deliver a high quality product within cost parameters set at a relatively early stage in the scheme.
- 50 This approach would continue to be considered for the larger projects in the programme, of the order of £2m and above. Below that level the costs of assessment by this route are less easy to justify, and the economies of scale more difficult to secure for the contractor. Although 4Futures is looking at the scope for smaller projects including plant and fabric maintenance, at this stage conventional procurement remains the recommended way forward. For these smaller projects, conventional procurement is likely to continue although consideration would be given to other appropriate routes dependent upon the individual circumstances in each case.

ANNEX 1 - Proposed Children's Services 2011-12 Capital Programme**2009-11 Programme:**

		Budget £
Reallocation of funding from 2009-11 associated with the Cherry Garden project	New places and improvements	4,000,000
Expenditure brought forward from 2009-11 primary capital programme to meet additional costs of the three primaries programme	New places and improvements	1,500,000
		<u>5,500,000</u>

2011-12 Proposed Allocations:

Crawford	Plant, fabric and modernisation	150,000
Langbourne	Plant, fabric and modernisation	150,000
Camelot	Plant, fabric and modernisation	200,000
Improvements to Alma Primary School	New places and improvements	300,000
		<u>800,000</u>

2011-12 Programme - Delegated Decision:

Bulge classes at primary schools	New places and improvements	1,000,000
Plant fabric and modernisation (subject to confirmation)	Plant, fabric and modernisation	1,688,687
Challenge fund for schools (including CO ²) - 50% school match funding	Other	500,000
Improvements to school kitchens to deliver the Free Healthy Primary School Meals	Other	500,000
		<u>3,688,687</u>

2011-12 Programme - Future Cabinet Report

Provision for new permanent places in primary schools - enlargement/extension	New places and improvements	2,500,000
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Total	12,488,687
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CONFIRMED RESOURCES - DfE Grant

Basic Need	9,329,105
Capital Maintenance	3,159,582
Total confirmed incl DCSF	12,488,687

Capital Programme 2011/12-2020/21	Environment		
Description of Programme / Project	2011/12	2012/13+	Total
	£	£	£
Culture, Learning, Libraries and Leisure	650,534	250,000	900,534
Camberwell Leisure Centre - phase 1	978,500	0	978,500
Camberwell Leisure Centre - final phase	521,500	0	521,500
Pynners Sports Ground Reinstatement	600,000	0	600,000
Elephant and Castle Leisure Centre	1,000,000	19,000,000	20,000,000
Olympics Legacy	1,450,000	550,000	2,000,000
Seven Islands Leisure Centre Refurbishment	0	8,000,000	8,000,000
Parking - Capital works for CPZ reviews	255,941	0	255,941
Non-Principal Road Investment	4,452,393	39,050,000	43,502,393
Street Lights Investment	740,965	4,500,000	5,240,965
Parks	367,681	0	367,681
Honor Oak Remediation works	1,032,013	10,000	1,042,013
Burgess Park Revitalisation Project	4,694,945	188,172	4,883,117
Infrastructure Improvements	150,215	0	150,215
Highways / Traffic improvements on Trafalgar Ave	50,000	0	50,000
S106 funded public realm works	926,238	0	926,238
Upgrade and Refurbishment of Essential CCTV	123,360	180,000	303,360
Additional Cemetery Space	410,000	0	410,000
Cleaner Greener Safer	5,097,996	16,920,000	22,017,996
Peckham Rye one o'clock club	170,000	100,000	270,000
Integrated Waste Solutions Programme	4,075,260	1,820,000	5,895,260
Southeast London Combined Heat and Power	200,000	286,400	486,400
Environment Total	27,947,541	90,854,572	118,802,113
Capital Programme 2011/12-2020/21	Children's Services		
Description of Programme / Project	2011/12	2012/13+	Total
	£	£	£
Children's Centres - All Phases	716,805	533,218	1,250,023
Waverley	19,690	200,096	219,786
Eveline Lowe Primary	2,082,503	200,000	2,282,503
Michael Faraday Primary retention payment	1,285,231	716,419	2,001,650
Southwark Park Primary	500,000	8,116,610	8,616,610
Robert Browning Primary School	724,272	40,653	764,925
Planned Maintenance and Quick Win Schemes	100,266	200,000	300,266
Smaller projects - Primary Capital Programme	492,392	283,035	775,427
Crampton - additional places	1,230,000	346,900	1,576,900
Brunswick Park Primary School	150,000	126,704	276,704
Goose Green Primary School	1,185,452	70,000	1,255,452
St Anthony's expansion and refurbishment	2,075,000	2,000,000	4,075,000
Lynhurst expansion and refurbishment	308,371	5,300,000	5,608,371
Cherry Garden Special School	500,000	12,000,000	12,500,000
Haymerle Primary	880,343	155,000	1,035,343
Youth Services	138,176	596,963	735,139
Access fund	150,495	0	150,495
Carbon Reduction Fund	220,000	4,599	224,599
Capital Works for Free Healthy School Meals	500,000	0	500,000
Rotherhithe Primary	0	10,000,000	10,000,000
Plant, fabric and modernisation - 2011/12 grant	500,000	0	500,000
New places and improvements - 2011/12 grant	300,000	0	300,000
Items subject to further approval/delegated decision	0	5,689,000	5,689,000
Children's Services Total	14,058,996	46,579,197	60,638,193

Capital Programme 2011/12-2020/21	Finance and Resources		
Description of Programme / Project	2011/12	2012/13+	Total
	£	£	£
Information Services	1,958,304	1,109,029	3,067,333
Property Works Programme	759,214	0	759,214
Works to Council Buildings - DDA	150,000	1,506,192	1,656,192
Essential upgrade of Carefirst system	645,000	2,155,000	2,800,000
Capital Contingency Reserve	0	2,800,000	2,800,000
Finance and Resources Total	3,512,518	7,570,221	11,082,739
Capital Programme 2011/12-2020/21	Regeneration and Neighbourhoods		
Description of Programme / Project	2011/12	2012/13+	Total
	£	£	£
Borough & Bankside Streetscape Improvement	466,793	0	466,793
Bermondsey Streetscape Improvements	1,463,043	0	1,463,043
Economic Development and Strategic Partnerships	635,861	1,241,332	1,877,193
Improvements to Local Retail Environments	2,822,508	0	2,822,508
Planning and Transport	1,518,746	0	1,518,746
Canada Water Library	5,440,449	343,318	5,783,767
Canada Water Development	842,756	200,054	1,042,810
Voluntary Sector Strategy	0	1,073,000	1,073,000
New Nunhead Community Centre	450,000	150,000	600,000
Other Regeneration Schemes	192,967	0	192,967
Office Accommodation Strategy	3,084,000	7,606,978	10,690,978
Regeneration and Neighbourhoods Total	16,917,123	10,614,682	27,531,805
Capital Programme 2011/12-2020/21	Health and Community Services		
Description of Programme / Project	2011/12	2012/13+	Total
	£	£	£
Southwark Resource Centre	1,333,225	358,000	1,691,225
Smaller projects	57,646	0	57,646
Adult PSS Capital Allocations	818,470	836,651	1,655,121
Health and Community Services Total	2,209,341	1,194,651	3,403,992
Capital Programme 2011/12-2020/21	Southwark Schools for the Future		
Description of Programme / Project	2011/12	2012/13+	Total
	£	£	£
Walworth Academy	1,439,521	0	1,439,521
Tuke Special School	360,000	0	360,000
St Michael's PFI	22,157	0	22,157
St Michaels and All Angels (SMAA)	9,935,140	20,764,095	30,699,235
Highshore (SMAA special school)	0	0	0
Spa school	1,132,752	0	1,132,752
St Thomas the Apostle college	83,333	0	83,333
New School Aylesbury	13,385,264	957,781	14,343,045
Rotherhithe (CW new school)	6,867,630	12,754,169	19,621,799
Notre Dame (VA)	2,009,402	6,429,114	8,438,516
Sacred Heart PFI	0	0	0
KS4 SILS	1,043,760	1,206,240	2,250,000
St Saviours and St Olaves	3,728,144	5,655,946	9,384,090
Bredinghurst / KS3 SILS	4,494,495	9,882,445	14,376,940
ICT	3,557,018	2,493,114	6,050,132
Contingency yet to be formally allocated	500,000	7,215,519	7,715,519
Southwark Schools for the Future Total	48,558,614	67,358,423	115,917,038

Capital Programme 2011/12-2020/21	Housing General Fund		
Description of Programme / Project	2011/12	2012/13+	Total
	£	£	£
East Peckham and Nunhead Housing Renewal	1,874,520	3,599,081	5,473,601
Empty Homes Grant	500,000	347,496	847,496
Homes Improvement Grant	511,248	0	511,248
Homes Improvement Agency	1,313,690	515,000	1,828,690
Small works grants	50,000	277,921	327,921
Home repair loan	165,000	827,507	992,507
Home repair grant	160,000	800,246	960,246
Landlord grants	20,000	107,660	127,660
Southwark moving on grant	10,000	10,000	20,000
Ilderton travellers site wall	300,000	0	300,000
Springtide travellers site	521,144	291,000	812,144
Burnhill Close travellers site refurbishment	112,380	7,221	119,601
Affordable Housing Fund 122-148 Ivydale	780,000	520,000	1,300,000
Housing General Fund Total	6,317,982	7,303,132	13,621,114
Capital Programme 2011/12-2020/21	Total General Fund Programme		
	2011/12	2012/13+	Total
	£		£
Total Expenditure	119,522,116	231,474,878	350,996,994
Total Resources	107,486,000	307,347,000	414,833,000
Forecast variation (under)/over	12,036,116	(75,872,122)	(63,836,006)

Item No. 6.1	Classification: Open	Date: 6 July 2011	Meeting Name: Council Assembly
Report title:		Report back on motions referred to cabinet from council assembly	
Ward(s) or groups affected:		All	
From:		Cabinet	

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – MOTION ON THEMED DEBATE: THE FUTURE FOR SOUTHWARK – RISING TO THE COMMUNITY CHALLENGE

Cabinet on 17 May 2011 considered the following motion referred from council assembly on 6 April 2011 which had been moved by Councillor Patrick Diamond and seconded by Councillor Michael Situ.

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.

We received and noted the motion.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – REPAYMENT OF MAJOR WORKS CHARGES BY LEASEHOLDERS

Cabinet on 17 May 2011 considered the following motion referred from council assembly on 6 April 2011 which had been moved by Councillor Lewis Robinson and seconded by Councillor Toby Eckersley.

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.

We agreed the motion with the following amendments:

- Paragraph 7 – to apply to ‘resident’ leaseholders only.

- Paragraph 9 – We noted the request for definitive advice on leaseholder duties in respect of all types of request for contributions for remedying of fire safety defects, and also noted that the strategic director of housing services is bringing back a further report on this issue in due course.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – SECONDARY SCHOOL IN SE16

Cabinet on 17 May 2011 considered the following motion referred from council assembly on 6 April 2011 which had been moved by Councillor Rosie Shimell, seconded by Councillor Jeff Hook and subsequently amended.

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.

We noted and agreed the motion. We also noted that the council had still not heard back from Partnership for Schools.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – SECURE TENANCIES

Cabinet on 17 May 2011 considered the following motion referred from council assembly on 6 April 2011 which had been moved by Councillor Ian Wingfield and seconded by Councillor Gavin Edwards.

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.

We noted and agreed the motion. We also noted that the deputy leader and cabinet member for housing management had received a letter from Andrew Stunell MP and that it would be circulated to all members of the council.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – CABINET PRIORITIES

Cabinet on 17 May 2011 considered the following motion referred from council assembly on 6 April 2011 which had been moved by Councillor Anood Al-Samerai, seconded by Councillor Paul Noblet and subsequently amended.

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.

We noted and agreed the motion.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet agenda and minutes – 17 May 2011	Constitutional Team, 160 Tooley Street, London SE1 2QH	Everton Roberts 020 7525 7221
Council assembly agenda and minutes – 6 April 2011		

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager	
Report Author	Everton Roberts, Constitutional Officer	
Version	Final	
Dated	23 June 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
Cabinet Member	No	No
Date final report sent to Constitutional / Community Council / Scrutiny Team	23 June 2011	

Item No: 7.1	Classification: Open	Date: 6 July 2011	Meeting Name: Council Assembly
Report title:		Treasury Management Performance - 2010/11 Annual Report and Prudential Indicators for Capital Finance and Treasury Management	
Wards or Groups affected:		All	
From:		Finance Director	

RECOMMENDATION

1. That the council assembly note this 2010/11 outturn report on debt, investments and prudential indicators.

BACKGROUND INFORMATION

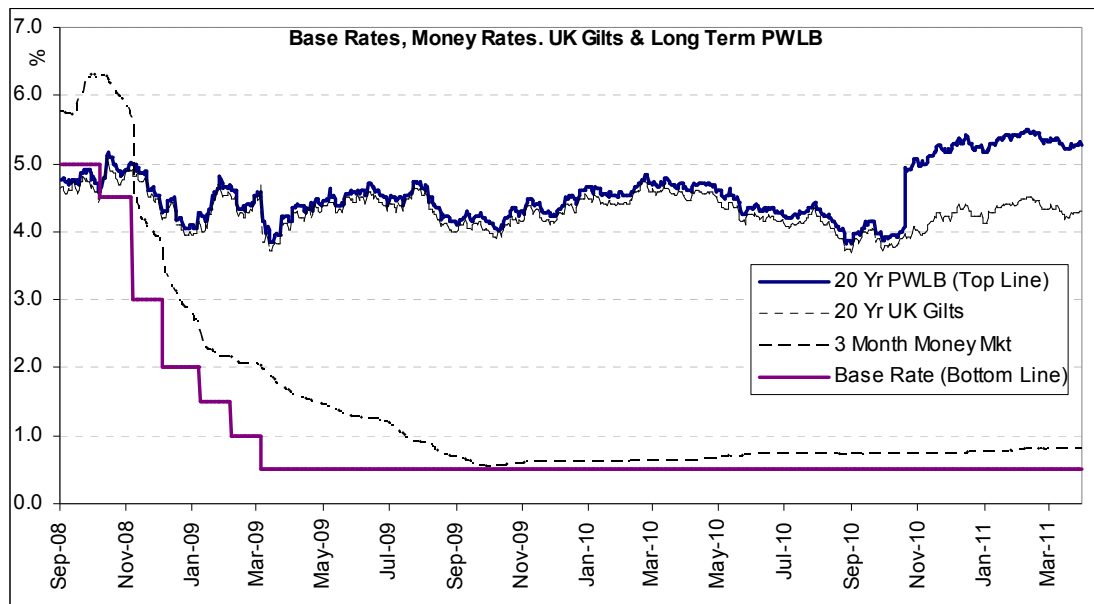
2. The council holds some £762m in debt as at 31 March 2011. The debt arises from past borrowing to pay for capital spend not otherwise financed from capital receipts, grants or revenue. A sum is paid off, in the form of minimum revenue payments, each year, but the bulk is replaced with new borrowing as it matures. Cash received and not yet spent is placed on deposit with banks or held in UK government or supranational bonds until it is spent. As at 31 March £236m was held in such investments.
3. The borrowing and investment activity is supported by a series of prudential indicators (estimates and limits on capital finance, debt and investments) and a treasury strategy agreed by council assembly. The 2010/11 indicators and strategy were reported to council assembly in February 2010 and this report sets out the economic background, the outturn indicators and the treasury activity carried out, under financial delegation by the finance director, over the course of the year. This area of finance falls under the Local Government Act 2003, supplemented by investment guidance issued by the government and codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
4. In November 2009 CIPFA published updates to its Treasury Management in the Public Sector Code of Practice and Prudential Code for Capital Finance in Local Authorities. The codes recommended extended formal reporting and scrutiny of treasury management. At Southwark, the council assembly agreed, as part of 2010 constitutional changes, that in addition to a strategy report (which it considers before the start of each year and an annual report after the close of the year), it would also receive a mid year report, with additional quarterly monitoring of treasury management going to cabinet and review and scrutiny being carried out by the audit and governance committee. Council assembly remains responsible for agreeing the policy and strategy, which the finance director manages.

KEY ISSUES FOR CONSIDERATION

Treasury Management Borrowing and Investments

Financial Market Backdrop

5. Over the course of the financial year markets were dominated by expectations of changes to monetary policy and concerns about the economic outlook of some euro-area periphery countries.
6. Weaker euro economies experienced significant increases in funding costs but in the US and UK expectations of further monetary stimulus in the second half of 2010 initially helped lower government bond yields. The US announced an increase its purchase of government bonds, but in the UK there were no further asset purchases, and better than expected economic data and inflationary pressure raised hopes of a base rate increase. However the release of negative growth figures (-0.50%) for the quarter to December 2010 pushed back expectations of base rate increases to much later in 2011. Against the combination of high inflation, weak growth and the squeeze on public spending announced by the new government, UK monetary policy remained accommodative - base rates were held at 0.50% through the financial year, the level they have been at since March 2009.
7. With base rates very low, rates available on cash invested in the money markets also remained low throughout 2010/11. A chart of recent base rates and long term UK government bond yields is set out below. Also charted is the cost of borrowing from the Public Work Loans Board (PWLB, a local authority lending division of HM Treasury). Prior to October 2010, the rates on borrowing from the PWLB closely tracked the cost of the government's own borrowing. But since then the government has decided to charge councils one-percent more than the cost of its own borrowing on any new borrowing taken from the PWLB. The change does not affect the rate on existing loans.

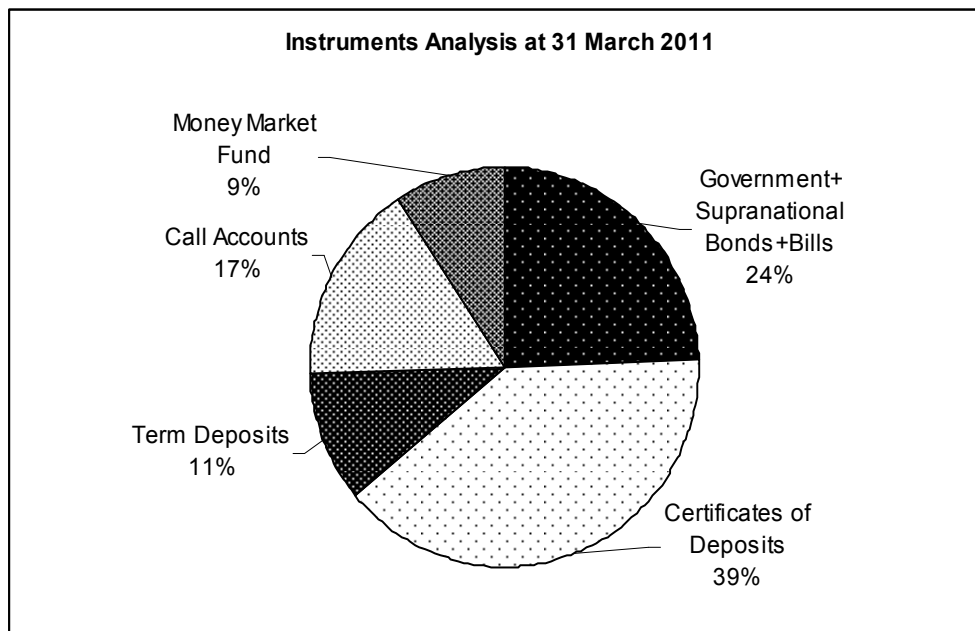


Investment Activity and Position

8. Cash held in investments averaged £238m over the course of 2010/11 (£274m in 2009/10) and a cautious approach to lending was maintained throughout in view of ongoing concerns over sovereign risk in some euro-member states. Investments continued to be managed prudently, with capital preservation a high priority as required by the Annual Investment Strategy agreed by council assembly. Exposure was diversified across major high rated banks in the UK and abroad. Bank exposure

was in the form of short term sterling deposits and certificates of deposits (CDs – liquid deposits up to 1 year).

9. Investments are managed by an in-house operation and three investment management firms: Invesco Asset Management Ltd, AllianceBernstein Ltd and Aberdeen Fund Management Ltd. The fund managers provide access to liquid instruments, sovereign bonds and maturities beyond one year and expertise to help the council enhance long term returns, with capital preservation, liquidity and low market risk as priorities. In-house funds focus on meeting day to day cash volatility using a number of call accounts and short term deposits. In September 2010 the sum managed externally was reduced by £20.9m and brought in-house to ensure that future cash demands can readily be met.
10. The cash held in investments at the end of March 2011 was £236m (£212m at March 2010). The counterparty, instrument, rating and maturity analysis of those investments is set out below. The average return for 2010/11 was 1.08% (1.57% in 2009/10), reflecting the prolonged period of very low money market rates.



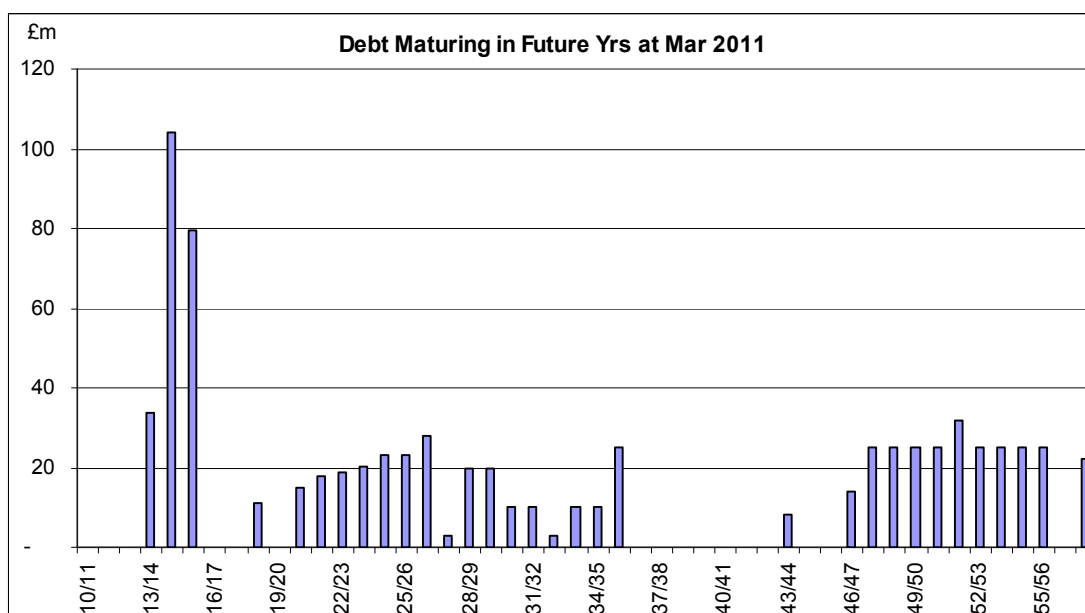
COUNTERPARTY EXPOSURE AND RATING at 31 March 2011										
COUNTERPARTY	FUND					RATING				
	ABER DEEN	ALLIANCE BERN STEIN	INVESCO	IN HOUSE	Total £m	Long	Short	Sup port	Country	Country Rating
BARCLAYS BK	6.6	0.5	6.5		13.6	AA-	F1+	1	UK	AAA
BK NATIONAL DE PARIBAS	5.2	0.5	6.5		12.2	AA-	F1+	1	FRANCE	AAA
CREDIT AGRIC CIB	4.4		6.5		10.9	AA-	F1+	1	FRANCE	AAA
CREDIT INDST COMRCL	5.5				5.5	AA-	F1+	1	FRANCE	AAA
DANSKE		0.5			0.5	A+	F1	1	DENMARK	AAA
DEUTSCHE BK		0.8		10.0	10.8	AA-	F1+	1	GERMANY	AAA
EUROPEAN INVST BK	3.3	7.4			10.7	AAA	F1+		SUPRANATIONAL	AAA
GLOBAL TREAS FNDS PLC MMF				21.4	21.4	0	AAA		GLOBAL	
HSBC	0.1	0.1	0.4		0.6	AA	F1+	1	UK	AAA
ING BK	5.0	0.5	3.4		8.9	A+	F1+	1	NETHERLANDS	AAA
INTL BK RECON & DEV		4.7			4.7	AAA	F1+		SUPRANATIONAL	AAA
LANDESBK BADEN WUERTBG	3.2				3.2	A+	F1+	1	GERMANY	AAA
LLOYDS/BK SCOTLAND	6.0	0.5	4.0	15.0	25.5	AA-	F1+	1	UK	AAA
NATIONWIDE B/SOC		0.5			0.5	AA-	F1+	1	UK	AAA
NORDEA BK		0.5	4.4		4.9	AA-	F1+	1	FINLAND	AAA
RABOBANK		0.5			0.5	AA+	F1+	1	NETHERLANDS	AAA
RBS/NATWEST				25.0	25.0	AA-	F1+	1	UK	AAA
SANTANDER UK	6.5			15.0	21.5	AA-	F1+	1	UK	AAA
SOCIETE GENERALE		0.5	6.5		7.0	A+	F1+	1	FRANCE	AAA
SVENSKA HANDELSBKN		0.5	4.0		4.5	AA-	F1+	1	SWEDEN	AAA
UBS	2.6				2.6	A+	F1+	1	SWITZERLAND	AAA
UK TREASURY	2.0	32.3	7.9		42.2	AAA	F1+	1	UK	AAA
Total £m	50.4	50.2	50.2	86.4	237.2					

Note: The table above shows all investments and includes £1.5m held on behalf of trust funds. The council's own investments totalled £235.7m.

Fitch Long Term Rating as at 31 March 2011				
Rating	AAA	AA+ to AA-	A+	Total
Period Remaining				
2-5 years	11%			11%
1-2 years	3%			3%
Less than 1 year	20%	57%	9%	86%
Total	34%	57%	9%	100%

Debt Activity and Position

- The debt outstanding at the end of March 2011 was £762m. No new loans were taken during the year.
- All debt is at fixed rates from the PWLB. The average life of the debt is 21 years and the amounts falling for repayment in the future are set out in the chart below. Loans do not fall for repayment until 2014 and, when they do, they can be replaced with new loans unless refinanced earlier. The average rate of interest across all loans is 6.94% and reflects a long period between the 1970's and early 1990's when high capital spending and debt funding (backed by government support) coincided with years of high inflation and high interest rates.



13. Currently interest on around 80% of the debt is attributable to the housing revenue account (HRA), which has been reimbursed through subsidy, and an allowance for the remainder is included in Formula Grant. However under proposals issued in March 2011 and confirmed in the Localism Bill, the current national systems for supporting housing will be replaced by a locally run self funding arrangement from 2012/13. Under it councils will keep their rental income and use it to maintain their homes. A one off debt settlement will be made between the government and each council. Some councils will take on additional debt, but Southwark will have its debt level reduced, which will bring debt interest costs and running costs closer to rent income.
14. According to the Department of Communities and Local Government, the estimated reduction in HRA debt is around £274m – the precise sum will not be known until the Localism Bill is enacted towards the end of 2011. The Department envisages reducing a proportion of each loan the council has with the PWLB. This will leave the average rate of interest unchanged and will mean that the council will have £139m in maturing debt to refinance between 2014 and 2016 instead of £217m under the existing debt maturity profile. It would be advantageous for the council to have some control over which debt is reduced, as this could reduce overall interest rates, but so far this has not been agreed by government.
15. The decision by the government to charge councils one-percent more for borrowing from the PWLB, referred to above, potentially helps commercial banks and institutional bond investors offer competitive terms. The market for such alternatives is only just beginning to develop but it will be boosted by demand for funds from those local authorities that under HRA subsidy reforms will be taking on substantial sums from April 2012. Ideas being considered by those councils include bond issue and private placement with institutional investors. All have significant upfront costs (in the form of advisory, legal, investment banking and possibly rating) and ongoing investor servicing requirements. Southwark, which has no immediate necessity for funds, should therefore be able to get a clearer insight into the terms and conditions being offered by commercial banks and institutional investors and compare and contract with loans offered by the PWLB. Members will be kept apprised of developments in these funding alternatives through the quarterly monitoring reports to cabinet.

Prudential Indicators

16. Prudential indicators bring together elements of capital finance, borrowing and investment in a series of estimates and limits to give a general picture of the affordability, prudence and sustainability of financing activities. The outturn for each indicator is set out in Appendix A and includes the authorised debt limit, which is a self imposed cap on borrowing and other long term liabilities outstanding (such as finance leases and private finance initiatives) on any one day. The limit for 2010/11 was £910m and included operational flexibility for temporary borrowing and prudent refinancing in a risk controlled framework. With no new borrowing taken in 2010/11 actual debt remained at £762m throughout the year. For the first time this year, as a result of new international accounting standards, certain vehicle and equipment leases and a residential care property finance initiative from 2000 have had to be brought on the balance sheet. The value of these arrangements at 31 March 2011 was £10m (£11m in 2009/10). The total borrowing and other long term liabilities (£772m) was therefore below the £910m limit. These accounting changes have been reflected in the prudential indicators and have no bottom line impact on budgets or the revenue position of the HRA or the General Fund.

SUPPLEMENTAL ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance (NC 23.06)

17. The constitution determines that agreeing the treasury management strategy is a function of council assembly.
18. The Local Government Act 2003 and supporting regulations require local authorities to determine annual borrowing limits and have regard to the Prudential Code for Capital Finance, and the Treasury Management in the Public Services Code of Practice, both published by the Chartered Institute of Public Finance and Accountancy, when considering borrowing and investment strategies, determining or changing borrowing limits or prudential indicators.
19. Section 15(1) of the 2003 Act requires a local authority “to have regard (a) to such guidance as the Secretary of State may issue”. This guidance is found in the Department of Communities and Local Government Guidance on Local Authority Investments updated March 2010 and statutory guidance on the Minimum Revenue Provision (MRP) produced under amendments made to section 21(1A) of the Local Government Act 2003 by section 238(2) of the Local Government and Public Involvement in Health Act to 2007.
20. Members are advised to give approval to the recommendations contained in paragraph one of this report ensuring compliance with Government Guidance and CIPFA’s codes.

BACKGROUND DOCUMENTS

Background Papers	Held at	Contact
Prudential Code for Capital Finance in Local Authorities - CIPFA. Treasury Management in the Public Services Code of Practice - CIPFA DCLG Guidance on Local Authority Investments. Guidance on Minimum Revenue Provision – Issued by the Secretary of State – SI No. 2008/414	Finance and Resources Department 160 Tooley Street London SE1 2QH	Dennis Callaghan, Chief Accountant (020 7525 4375)

APPENDICES

No.	Title
Appendix A	Prudential Indicators 2010/11 Outturn

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Finance Director	
Report Author	Dennis Callaghan, Chief Accountant	
Version	Final	
Version Date	22 June 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	No additional comments
Final Report Sent to Constitutional Team	23 June 2011	

APPENDIX A**PRUDENTIAL INDICATORS – OUTTURN 2010/11****PRUDENTIAL INDICATORS**

1. Capital finance, borrowing and investment arrangements are brought together in a series of prudential indicators and limits to give a general picture of the affordability, prudence and sustainability of financing activities. The indicators are drawn from the Prudential Code on Capital Finance for Local Authorities and the Treasury Management in the Public Services Code of Practice both published by CIPFA and updated in November 2009. The Local Government Act 2003 requires that councils have regard to these codes.
2. This appendix sets out the outturn indicators for 2010/11 drawn from the council's accounts for the year.

CRITERIA ONE: AFFORDABILITY AND PRUDENTIAL INDICATORS ON AFFORDABILITY
INDICATOR ONE: ESTIMATES OF RATIO OF FINANCING COSTS TO NET REVENUE STREAM

The financing ratio reflects financing costs arising from capital expenditure funded from borrowing and income from cash balances as a proportion of the net revenue stream. The ratio for the HRA and the General Fund (GF) are set out below. The different level of the HRA and GF ratios reflect the different way the two services are organised under law. The indicators have been updated to capture accounting changes requiring certain leases and PFI arrangements to be treated as if they are like borrowing. The changes have no bottom line impact on budgets, rents or council tax.

Financing Ratios	2009/10 Actual	2010/11 Actual
Housing Revenue Account	33.0%	33.0%
General Fund	3.4%	4.1%

INDICATOR TWO: ESTIMATES OF THE INCREMENTAL IMPACT OF CAPITAL INVESTMENT ON THE COUNCIL TAX AND HOUSING RENTS

This indicator is about the impact on council tax and rents of the capital programme. No increase in council tax or rents was sought as a result of capital spend funded through borrowing.

Notional Rent or Council Tax Increases	2009/10	2010/11 Actual
Weekly housing rent increase as a result of capital programme	Nil	Nil
Council tax band D increase as a result of capital programme	Nil	Nil

CRITERIA TWO: PRUDENCE AND PRUDENTIAL INDICATORS FOR PRUDENCE
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INDICATOR THREE: ESTIMATES OF CAPITAL EXPENDITURE

The actual capital expenditure for 2010/11 was £167m, lower than the previous year reflecting programme spending profiles and availability of resources.

Capital Expenditure	2009/10 Actual £m	2010/11 Actual £m
Housing Revenue Account	97	71
General Fund	107	96
Total	204	167

INDICATOR FOUR: ACTUAL AND ESTIMATES OF CAPITAL FINANCING REQUIREMENTS.

The capital financing requirement (CFR) reflects the use of borrowing to pay for past capital expenditure, net of sums set aside a minimum revenue payment (MRP) in accordance with the MRP policy agreed by council assembly annually.

CFR	2009/10 Actual £m	2010/11 Actual £m
Housing Revenue Account	639	650
General Fund	137	142
Total	776	792

The figures include the cost of certain leases and similar private finance initiative arrangements which new international accounting standards now require be brought on the balance sheet. The changes were backdated to the inception of the lease/PFI arrangements and in 2010/11 the sum represented by those arrangements was £10m (£11m in 2009/10), falling mainly on the GF.

INDICATOR FIVE: ACTUAL DEBT- THE AUTHORISED AND OPERATIONAL LIMITS

These limits are the maximum sum that may be outstanding on debt and long term liabilities on any one day. The lower limit is the operational boundary and takes account of ordinary activity. The authorised limit is the higher limit to accommodate unexpected borrowing that may be needed for very short periods. The total authorised limit is the limit councils have to determine under the Local Government Act 2003.

The average level of borrowing in any one year is usually close to the capital financing requirement, but it may be higher or lower depending on cash flow needs and timing of borrowing decisions. The limits accommodate such variation where prudent and taken in a risk controlled framework. And as no new borrowing was taken in 2010/11 and no loans were refinanced sooner (on account of un-affordable refinancing costs), the actual level of borrowing was unchanged over the year. Long term liabilities include the cost of certain leases and PFI arrangement which under new accounting standards now have to be brought on the balance sheet.

Operational Boundary and Authorised Limits for External debt -	2009/10 Actual Max £m	2010/11 Limit £m	2010/11 Actual Max £m
Operational Boundary for Debt			
Borrowing	762	860	762
Other long term liabilities	0	20	10
Total Operational	762	880	772
Authorised Limit for Debt -			
Borrowing	762	890	762
Other long term liabilities	0	20	10
Total Authorised	762	910	772

CRITERIA THREE: TREASURY MANAGEMENT

INDICATOR SIX: ADOPTION OF THE CIPFA CODE OF PRACTICE ON TREASURY MANAGEMENT IN THE PUBLIC SERVICES

This indicator is about confirming that CIPFA's Treasury Management in the Public Services Code of Practice has been adopted. The code was updated in November 2009 and the council assembly agreed its additional reporting and scrutiny recommendations in February 2010.

INDICATOR SEVEN: INTEREST RATE EXPOSURES – FIXED

INDICATOR EIGHT: INTEREST RATE EXPOSURES - VARIABLE

INDICATOR NINE: MATURITIES

Council debt currently consists entirely of fixed rate loans, with very little falling for repayment over the next few years. As with the authorised and operational limits, the interest rate exposure limits include flexibility to prudently vary debt should financial conditions prove favourable. As no new borrowing or re-financing was carried out in 2010/11, the outturn fixed, variable and maturity exposure reflects the existing debt structure.

LIMITS ON FIXED AND VARIABLE RATES	2009/10 Maximum Actual £m	2010/11 Limit £m	2010/11 Actual £m
Upper limit for fixed interest rate exposure	762	890	762
Upper limit for variable rate exposure	0	225	0

Maturity structure of fixed rate borrowing	2009/10 Actual	2010/11 Lower Limit	2010/11 Upper Limit	2010/11 Actual
Under 12 months	0%	0%	30%	0%
12 months and within 24 months	0%	0%	30%	0%
24 months and within 5 years	4%	0%	60%	18%
5 years and within 10 years	26%	0%	80%	12%
10 years and above in each 10 year period	70%	0%	100%	70%

INDICATOR TEN: TOTAL PRINCIPAL SUMS INVESTED FOR PERIODS LONGER THAN 364 DAYS.

Cash balances are invested across a number of counterparties which can include the government, local authorities, and large high rated banks and building societies. Exposure to investments beyond one year were managed within a risk controlled framework by fund managers and were held in UK government debt or supranational bodies such as the European Investment Bank and the International Bank for Reconstruction and Redevelopment (the World Bank). Actual exposure against the limits is set out below.

Upper limit on investments greater than 1 yr	2009/10 Actual	2010/11 Limit	2010/11 Actual
Upper limit / Actual	Actual max exposure 20% of investments greater than 1 year Overall maximum average maturity 8 months Longest investment 8 years	Up to 50% of investments greater than 1 year Overall average maturity 3 years, but any one investment may be longer as referred to in the Annual Investment Strategy	16% of investments greater than 1 year Overall maximum average maturity 7 months Longest investment 5 yrs

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