

## Cabinet

Tuesday 21 June 2011

4.00 pm

Town Hall, Peckham Road, London SE5 8UB

### Membership

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

### Portfolio

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

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

Members of the committee are summoned to attend this meeting

#### Councillor Peter John

Leader of the Council  
Date: 13 June 2011



# Cabinet

Tuesday 21 June 2011  
4.00 pm  
Town Hall, Peckham Road, London SE5 8UB

## Order of Business

Item No.	Title	Page No.
	<b>PART A - OPEN BUSINESS</b>	
	<b>MOBILE PHONES</b>	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
<b>1.</b>	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
<b>2.</b>	<b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
<b>3.</b>	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>	
	Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.	
<b>4.</b>	<b>PUBLIC QUESTION TIME (15 MINUTES)</b>	
	To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules.	
<b>5.</b>	<b>MINUTES</b>	1 - 18
	To approve as a correct record the minutes of the open section of the meetings held on 17 May and 31 May 2011.	

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>6.</b>	<b>DEPUTATION REQUESTS</b>	19 - 20
	To consider deputation requests received for this meeting.	
<b>7.</b>	<b>CAPITAL PROGRAMME 2010/11 OUTTURN REPORT</b>	21 - 39
	To note the outturn position for the 2010/11 for the general fund capital programme and the housing investment programme.	
	To approve virements and funded variations to the general fund capital programme and the reprofiling of expenditure and resources into the 2011-19 general fund capital programme.	
<b>8.</b>	<b>CAPITAL PROGRAMME 2011-2021</b>	40 - 74
	To agree the refreshed 10 year general fund capital programme for recommendation to council assembly in July 2011.	
<b>9.</b>	<b>SOUTHWARK SCHOOLS FOR THE FUTURE (SSF): UPDATE TO CABINET AND DELEGATION OF AWARD OF CONTRACTS</b>	75 - 85
	To note phase 2 of Southwark's schools future within the affordability parameters previously approved by cabinet.	
	To also note the outcome of the BSF legacy review and the current status of the BSF projects.	
<b>10.</b>	<b>TEENAGE PREGNANCY COMMISSION OUTCOMES AND RECOMMENDATIONS</b>	86 - 112
	To note the Teenage Pregnancy Commission's report and consider the opportunities to actively support the implementation of the recommendations.	
<b>11.</b>	<b>COUNCIL PLAN</b>	113 - 146
	To agree the Council Plan for recommendation to council assembly in July 2011.	
<b>12.</b>	<b>MEDIUM TERM RESOURCES STRATEGY 2011/12-2013/14</b>	147 - 180
	To agree the refreshed medium term resources strategy (MTRS) 2011/12-2013/14 to provide the framework for the management of the council's resources over the next three years.	

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>13.</b>	<b>RE-PROVISION OF LIBRARY INCLUDING A RESOURCE CENTRE FOR CAMBERWELL</b>	181 - 200
	To approve the re-provision of premises for the Camberwell library.	
<b>14.</b>	<b>'A RESPONSIBLE APPROACH' - SOUTHWARK DOG STRATEGY 2011- 2014</b>	201 - 221
	To agree a “responsible approach” – Southwark Dog Strategy 2011-14 and recommendations.	
	To note the possible future changes in the national policy environment and to request officers to provide a further report when national guidelines are issued.	
<b>15.</b>	<b>LIVESEY MUSEUM UPDATE AND OPTIONS</b>	222 - 228
	To instruct officers to re-open the search for an alternative user for the building within the Objects of the Trust and to report back to cabinet on the outcomes of this search and the options for the way forward.	
<b>16.</b>	<b>DRAFT AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT</b>	229 - 237
	To consider and agree for consultation:	
	<ul style="list-style-type: none"> <li>• The draft Affordable Housing Supplementary Planning document</li> <li>• The consultation plan</li> <li>• The equalities impact assessment</li> <li>• The background paper</li> <li>• The sustainability appraisal</li> </ul>	
<b>17.</b>	<b>AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - REVENUES &amp; BENEFITS SERVICE</b>	238 - 241
	To seek approval for the write off of debts which are irrecoverable.	
<b>18.</b>	<b>DISPOSAL OF SITE 19 ELEPHANT AND CASTLE</b>	242 - 248
	To enter into an agreement to transfer part of the existing leisure centre to Lend Lease on the principal terms set out in this report.	

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>19.</b>	<b>IMPROVED TERMS FOR THE SALE OF SITES A AND B AT CANADA WATER</b>	249 - 256
	To approve the changes to the contract for the sale of site A and most of site B at Canada Water.	
<b>20.</b>	<b>COMBINED GATEWAY 1 PROCUREMENT STRATEGY - APPROVAL AND GATEWAY 2 CONTRACT EXTENSION AWARD FOR THREE PARKING AND TRAFFIC ENFORCEMENT CONTRACTS</b>	257 - 268
	To approve the procurement strategy for the parking and traffic enforcement contracts.	
<b>21.</b>	<b>GATEWAY 1 PROCUREMENT STRATEGY APPROVAL - SUPPLY OF GAS TO SITES CONSUMING LESS THAN 25,000 THERMS</b>	269 - 281
	To approve the procurement strategy for the supply of gas to sites consuming less than 25,000 therms.	
<b>22.</b>	<b>GATEWAY 1 PROCUREMENT STRATEGY APPROVAL - SUPPLY OF GAS TO SITES CONSUMING MORE THAN 25,000 THERMS</b>	282 - 294
	To approve the procurement strategy for the supply to sites consuming over 25,000 therms.	
<b>23.</b>	<b>APPOINTMENTS TO OUTSIDE BODIES 2011/12</b>	295 - 306
	To consider and agree appointments to outside bodies for the 2011/12 municipal year.	
<b>24.</b>	<b>NOMINATIONS TO PANELS, BOARDS AND FORUMS 2011/12</b>	307 - 321
	To agree the allocation of places to the panels, boards and forums for the 2011/12 municipal year and to nominate members accordingly.	

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

**EXCLUSION OF PRESS AND PUBLIC**

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

The following motion should be moved, seconded and approved if the

cabinet wishes to exclude the press and public to deal with reports revealing exempt information:

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

#### **PART B - CLOSED BUSINESS**

#### **25. MINUTES**

To approve as a correct record the closed minutes of the meeting held on 17 May 2011.

#### **26. AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - REVENUES & BENEFITS SERVICE**

#### **27. DISPOSAL OF SITE 19 ELEPHANT AND CASTLE**

#### **28. IMPROVED TERMS FOR THE SALE OF SITES A AND B AT CANADA WATER**

#### **29. COMBINED GATEWAY 1 PROCUREMENT STRATEGY - APPROVAL AND GATEWAY 2 CONTRACT EXTENSION AWARD FOR THREE PARKING AND TRAFFIC ENFORCEMENT CONTRACTS**

#### **30. GATEWAY 1 PROCUREMENT STRATEGY APPROVAL - SUPPLY OF GAS TO SITES CONSUMING LESS THAN 25,000 THERMS**

#### **31. GATEWAY 1 PROCUREMENT STRATEGY APPROVAL - SUPPLY OF GAS TO SITES CONSUMING MORE THAN 25,000 THERMS**

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

Date: 13 June 2011



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 17 May 2011 at 4.00 pm at Town Hall, Peckham Road, London SE5 8UB

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

Councillor Ian Wingfield, deputy leader, chaired the meeting in the absence of the chair.

### 1. APOLOGIES

Apologies for absence were received from Councillor Dora Dixon-Fyle and Councillor Peter John for lateness.

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

There were no late items.

### 3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Fiona Colley, declared a personal and prejudicial interest in item 10. Creation Trust Business Plan as she was currently the chair of the Creation Trust.

Councillor Abdul Mohamed, also declared a personal and prejudicial interest in item 10. as he was a serving trustee of the Creation Trust.

Councillor Barrie Hargrove, declared a personal and non prejudicial interest in item 9 Peckham and Nunhead Area Action Plan towards a Preferred Option as he lived in a property which was due to fall within the consultation process.

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

There were no public questions.

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

That the open minutes of the meeting held on 19 April 2011 be approved as a correct record and signed by the chair.

**6. SCRUTINY REPORT - UNFINISHED SECURITY WORKS ON THE FOUR SQUARES ESTATE**

Councillor Gavin Edwards, chair of the housing and community safety scrutiny sub-committee presented the scrutiny report to cabinet.

**RESOLVED:**

That the recommendations of the review of the unfinished security works on the Four Squares Estate undertaken by the housing and community safety scrutiny sub-committee (attached as appendix 1 to the report) be noted and the deputy leader and cabinet member for housing management (lead member) bring back a report to cabinet to respond to the overview and scrutiny committee by 12 July 2011.

At this juncture Councillor Peter John, having arrived at the meeting took the position of chair.

**7. RESPONSE TO THE HOUSING AND COMMUNITY SAFETY SUB-COMMITTEE'S REVIEW OF HOUSING REPAIRS KEY PERFORMANCE INDICATORS****RESOLVED:**

1. That the response to the recommendations of the housing and community safety scrutiny sub-committee's investigation into the key performance indicators for the housing repairs service be noted and agreed.
2. That the ongoing monitoring and progress of the action plan take place at the repairs core group, chaired by the deputy leader and cabinet member for housing management.
3. That the additional activity being undertaken to improve the repairs service be noted.
4. That the strategic director of housing services report back to cabinet in 6 months time on the progress of implementation of the recommendations.



**8. ELEPHANT AND CASTLE REGENERATION - SHOPPING CENTRE****RESOLVED:**

1. That in principle agreement be given to enter into a Co-operation Agreement with KPI III SARL and Lend Lease (Elephant and Castle) Ltd, the initial structure of which is set out in paragraph 9 of the report.
2. That in principle agreement be given to enter into an Agreement with KPI III SARL for the regeneration of the shopping centre, the principal terms of which are set out in paragraphs 10 -13 of the report.
3. That in principle agreement be given to vary the Regeneration Agreement dated between the council and Lend Lease (Elephant and Castle) Ltd to reflect the amended approach described in the report.
4. That the head of property be instructed to negotiate the detailed terms of the Agreements referred to at 1-3 above, and report back to cabinet on the conclusion of those negotiations.
5. That the head of property be instructed to ensure that the communication and consultation elements of the Co-operation Agreement outlined in paragraph 8 of the report are fully compliant with the Regeneration Agreement consultation strategy as outlined in paragraph 18 of the report. This includes the clear expectation that initial, indicative computer generated images of the shopping centre will be issued to the Regeneration Forum on the 26 May 2011.

**9. PECKHAM AND NUNHEAD AREA ACTION PLAN TOWARDS A PREFERRED OPTION****RESOLVED:**

1. The Peckham and Nunhead Area Action Plan (AAP) Towards a Preferred Option (appendix A of the report) was considered.
2. That the consultation report (appendix B of the report) and the consultation strategy and plan (appendix C of the report) be noted.
3. That the interim sustainability appraisal (appendix D of the report) and the equalities impact assessment stage 1 report (appendix E of the report) be noted.
4. That the Peckham and Nunhead Area Action Plan (AAP) Towards a Preferred Option be adopted for consultation. The consultation period to be extended from 5pm Monday 1 August 2011 to 5.00pm Friday 30 September 2011.

Having declared personal and prejudicial interests, Councillors Fiona Colley and Abdul Mohamed left the meeting during the consideration of the following item.

## 10. CREATION TRUST BUSINESS CASE

### RESOLVED:

#### Decisions of the Cabinet

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

#### Decision of the Leader of the Council

3. That the responsibility for agreeing a 4 year funding agreement between the council and Creation Trust be delegated to the cabinet member for finance, resources and community safety, within the principles set out in paragraph 19 of the report.

## 11. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

### Motion on themed debate: The future for Southwark – Rising to the community challenge

### RESOLVED:

That the motion referred from council assembly as a recommendation to cabinet, set out below in italics be received and noted.

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". In 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.*

### **Repayment of major works charges by leaseholders**

#### **RESOLVED:**

That it be noted that:

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 it is believed:

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

### **Secondary School in SE16**

#### **RESOLVED:**

1. That the motion referred from council assembly as a recommendation to cabinet set out below in italics be noted and agreed.
  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 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 call 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.

2. That it be noted that the council has still not heard back from Partnership for Schools.

### **Secure Tenancies**

#### **RESOLVED:**

1. That the motion referred from council assembly as a recommendation to cabinet set out below in italics be noted and agreed.
  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.*
2. That it be 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.

### **Cabinet Priorities**

#### **RESOLVED:**

That the motion referred from council assembly as a recommendation to cabinet set out below in italics be noted and agreed.

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.*

**12. 161-179 MANOR PLACE, SE17 AND 6 STOPFORD ROAD, SE17 - ACQUISITION OF THIRD PARTY LEGAL INTERESTS AND SUBSEQUENT DISPOSAL OF THE COUNCIL'S FREEHOLD INTEREST**

**RESOLVED:**

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

**EXCLUSION OF PRESS AND PUBLIC**

It was moved, seconded and:

**RESOLVED:**

That the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 and 5 of paragraph 10.4 of the Access to Information Procedure Rules of the Southwark Constitution.

The following is a summary of the decisions taken in the closed section of the meeting.



**13. MINUTES**

The minutes of the closed section of the meeting held on 19 April 2011 were approved as a correct record and signed by the chair.

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

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

**15. ELEPHANT AND CASTLE REGENERATION - SHOPPING CENTRE - SUPPLEMENTARY LEGAL ADVICE**

Supplementary closed legal advice was circulated in respect of this item – see item 8 for decision.

The meeting ended at 5.50pm

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 25 MAY 2011.**

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



## **Cabinet (Special)**

MINUTES of the OPEN section of the Cabinet meeting held on Tuesday 31 May 2011 at 5.30 pm at 160 Tooley Street, London SE1 2QH

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**PRESENT:**

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

### **1. APOLOGIES**

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

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

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

- Item 5 – Deputation Request: Residents of Jarman House and Canute Gardens, Hawkstone Estate
- Item 6 – Housing Investment Programme and Revised Strategy
- Item 7 – East Dulwich Estate Regeneration Scheme: Update and Proposals for Revision
- Item 8 – Deputation Request: The Friends of Southwark Park

### **3. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

There were no disclosures of interests or dispensations.

### **4. REVIEW OF VOID DISPOSAL STRATEGY**

#### **RESOLVED:**

1. That the progress of disposals of void housing properties since April 2009 be noted.

2. That the importance of void disposals to the overall housing investment strategy be noted.
3. That the categories of properties agreed for inclusion in the Void Disposal Strategy be amended so that they will now consist of:
  - Bedsits, 1 and 2 bed A & B Street flats at 1st and 2nd floors with a view to disposal of the freehold
  - Bedsits, 1 and 2 bed properties located on 3rd floor or above if based within a block
  - Void properties valued in excess of £300,000 irrespective of bedsize
  - Listed residential properties, irrespective of bed size
  - Properties that are difficult to let or uneconomical to repair
  - Leasehold units in blocks with a high percentage of leasehold properties where additional sales can mean that the freehold can potentially be considered for disposal, either by leaseholder enfranchisement or direct sale
  - Pre fabricated homes – due to their high level of investment need.

With the exception of the following:

- Ground floor properties that may meet medical needs or are suitable for adaptation
  - Properties suitable for rehousing households on regeneration schemes
  - 3 bed+ family units withdrawn from the programme based on the outcome of a Review Panel meeting as set out in paragraph 62 of the report.
4. That the target number of disposals be increased up to a maximum of 140 per annum.
  5. That the duration of this initiative be extended from 3 (2009-12) to 7 years (2009-16) to coincide with the new Five Year Investment Programme.
  6. That the trigger value of void properties targeted for disposal be subject to regular review and decisions on any changes delegated to the Leader of the Council.
  7. That all disposal decisions in respect of implementation of the policy be delegated to the Head of Property, and the process be monitored by an officer panel and the Deputy Leader and Cabinet Member for Housing. Such monitoring to have particular regard for geographical location and quantity of the properties referred for disposal.
  8. That the progress to date in delivering Hidden Homes be noted, and the project be continued subject to regular review by the Deputy Leader and Cabinet Member for Housing.
  9. That the feedback from Decent Homes Review Working Party be noted and taken into consideration.

**5. DEPUTATION REQUEST: RESIDENTS OF JARMAN HOUSE AND CANUTE GARDENS, HAWKSTONE ESTATE**

This item had not been circulated 5 clear days in advance of the meeting. The chair agreed to accept the item as urgent as the issues the deputation wished to raise were connected with the housing investment strategy item which was due to be considered at this meeting.

The cabinet received a deputation from residents of Jarman House and Canute Gardens, Hawkstone Estate. The deputation spokesperson Mr Alan Milne outlined the residents proposals which could reduce the amount of financial investment required for the Hawkstone Estate.

The deputation informed the cabinet that they were first promised windows in 1990. The deputation stressed that if the proposed works by UK Power Networks in Southwark Park went ahead, then the current windows would be at risk of falling out as Jarman House was situated opposite the park.

The deputation raised concern/disappointment at the prospect of the low rise blocks being moved to the end of the 5 year programme.

**RESOLVED:**

That the representations of the deputation and the comments of the strategic director of housing services be noted.

**6. HOUSING INVESTMENT PROGRAMME AND REVISED STRATEGY**

This item had not been circulated 5 clear days in advance of the meeting. The chair agreed to accept the item as urgent as all social landlords were required to meet the Government's Decent Homes standard by December 2010. Southwark did not meet this deadline and therefore urgently needed to develop and implement the 5 year investment programme to deliver the standard and satisfy external scrutiny. The council needed to agree as soon as possible the programme and deadline for completion with the regulator, the Tenant Services Authority (TSA) to quickly satisfy them that the council will meet the government's standard within an agreed revised time frame.

**RESOLVED:**

1. That the Southwark Decent Homes Standard adopted on an interim basis in April 2008 be replaced with the Government's Decent Homes standard.
2. That approval be given to the start of work on schemes on the remaining two year programme of works on the basis that they are delivered to the new standard as set out in 1 above.

3. That approval be given to a minimum housing investment programme of major works to the value of £326.5m over the next 5 years to ensure that the Council's homes including those homes managed by Leathermarket Joint Management Board, are invested in to meet the Government's Decent Homes Standard and make them warm, dry and safe.
4. That the outcome of the consultation with residents on housing investment priorities which has taken place through the 2011 resident postal survey be noted.
5. That the feedback from the Area Housing Forums, the Decent Homes Review Working Party, Tenant Council, and Home Owners Council in the light of the postal survey findings be noted.
6. That the outcome of the bid for Government backlog funding and the potential for future funds for investment in the council's housing stock be noted.
7. That it be noted that any requirement for borrowing to support the housing investment programme would be an additional call on Housing Revenue Account resources and would be a matter that is reserved for Council Assembly to agree.
8. That any additional funds that become available through Government backlog funding or any other sources, be used to bring forward schemes within the 5 year programme so that works can be carried out more quickly.
9. That the sale of voids be maximised within agreed criteria on the disposal of void properties, and that the Hidden Homes programme be continued as set out in the 'Review of Void Disposal Strategy' report, item 4 of the agenda.
10. That 6 estates (listed below) be designated as High Investment Needs Estates and be dealt with as follows:
  - Aylesbury Estate - no changes are currently suggested to the agreed proposals for the regeneration of the estate.
  - Elmington Estate - no changes are currently suggested to the agreed proposals for the regeneration of the estate.
  - Brandon Estate - approve the expenditure of investment works on the estate as part of the council's housing investment programme.
  - Four Squares Estate - approve that security works are undertaken to Marden Square and Layard Square on the Four Squares estate up to a maximum value of £5m in total, as recommended by the Housing and Community Safety Scrutiny Sub-Committee to Cabinet on 17 May 2011, and that a further study is undertaken to examine options for investment in or regeneration for, the Four Squares as a whole, working closely in consultation with residents, and that a report is brought back to Cabinet in October 2011
  - Hawkstone Estate – approve that on the Hawkstone Estate, investment works are progressed for John Kennedy House, as previously agreed, but that option appraisal work is carried out for the low rise blocks on the estate, working closely in consultation with residents, and that a report is brought back to cabinet in October 2011.

- Abbeyfield Estate – approve that a further report is brought back to cabinet in October 2011 to make a decision on whether to retain and refurbish Maydew House or dispose of it, taking into account the implications for Thaxted Court and Damory House.
11. That the proposed 5 year programme for the council's housing stock, as set out in Appendix 8 of the report be noted and officers be instructed to undertake resident consultation on the programme during the summer and report back to Cabinet in the Autumn.
  12. That the strategic director of housing services make arrangements for the new head of major works to come back to cabinet with detailed proposals to develop and agree a 30 year housing asset management plan.
  13. That officers facilitate residents' project groups for each of the high investment needs estates, where they are not currently in place, including an independent expert to help support residents in the development of future options for their estates.

## **7. EAST DULWICH ESTATE REGENERATION SCHEME: UPDATE AND PROPOSALS FOR REVISION**

This item had not been circulated 5 clear days in advance of the meeting. The chair agreed to accept the item as urgent as vacant possession of Badminton House had been achieved and there was now a security risk as the block, located in a prominent position had been subject to numerous break-ins and would be vulnerable to squatting as it now stood empty. A prompt decision on the future of the block was required to secure both the council and neighbouring residents' interests.

### **RESOLVED:**

1. That the progress on the East Dulwich Estate regeneration scheme and the need to amend elements of the 2005 Executive decision in the light of changed circumstances, to reimburse the Housing Investment Programme for expenditure already made on the scheme be noted.
2. That in principle agreement be given to the disposal of Badminton House, including the commercial interests, to a third party, and detailed terms be considered at a later date.
3. That in principle agreement be given to the disposal of the Pytchley Road site as a separate entity without planning consent, and detailed terms be considered at a later date.
4. That the marketing and management strategy of the void sales be approved.
5. That agreement be given to the inclusion of Whaddon House in the Hidden Homes programme.

6. That agreement be given to an alternative approach to the conversion of the drying rooms as outlined at paragraph 24 of the report.
7. That agreement be given to an alternative approach to the new build proposals as outlined at paragraph 26 to 29 of the report.
8. That it be noted that the precise terms of disposal of any of the sites shall be subject to further cabinet approval where necessary.

## **8. DEPUTATION REQUEST - THE FRIENDS OF SOUTHWARK PARK**

This item had not been circulated 5 clear days in advance of the meeting. The chair agreed to accept the item as urgent as the issues the deputation wished to raise were connected to an imminent proposal from UK Power Networks concerning the use of Southwark Park.

The cabinet received a deputation from The Southwark Park Friends in respect of a proposal by UK Power Networks (UKPN) company to use Southwark Park as their main works compound for power supply works to the City of London.

The deputation spokesperson Mr Pat Kingwell outlined the concerns of The Friends of Southwark Park. He reported that a large area within the park would become inaccessible to the public from November 2011 – November 2013 and the proposed site located close to the China Hall Gate would be visually blighted during that period. He also reported that users of the park would be faced with the works compound and project machinery.

The deputation believed the landscape would be badly affected - green space would be lost and may never be properly replaced. There could also be a negative impact on trees and wildlife near to the compound. The deputation also raised concern about the spoil generated during the works and its removal.

Concern was also raised by the deputation in respect of the works disturbing the nearby athletics track, noise pollution and the impact on traffic to the wider area and the park. The deputation felt that the proposals threatened public leisure opportunities in the park as the proposed compound area was part of the sports centre redevelopment plan. The deputation also felt that the proposals would be an inappropriate use of a listed park and that there would be a loss of public land once the works had been completed as UK Power Networks would retain access rights to the park to service the tunnel created through the works.

The deputation did not believe that the UKPN proposal to use Southwark Park was the only viable option for the company and asked that Southwark Council press UKPN to find an alternative site.

### **RESOLVED:**

1. That the comments of the deputation be noted.
2. That the leader of the council and the cabinet member for transport, environment and recycling meet with UKPN.

The meeting ended at 7.15pm

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 8 JUNE 2011.**

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



<b>Item No.</b> 6.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Deputation Request – Camberwell Baths Campaign	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Communities, Law & Governance	

### **RECOMMENDATION**

1. That the cabinet consider whether to hear a deputation from the Camberwell Baths Campaign in respect of the allocation of funding for the refurbishment of the sports hall at Camberwell Baths.

### **BACKGROUND INFORMATION**

2. When considering whether to hear the deputation request, cabinet can decide
  - To receive the deputation at this meeting or a future meeting; or
  - That the deputation not be received; or
  - To refer the deputation to the most appropriate committee/sub-committee.
3. A deputation shall consist of no more than six people, including its spokesperson. Only one member of the deputation shall be allowed to address the meeting for no longer than 5 minutes. After this time members may ask questions of the deputation for up to 5 minutes. At the conclusion of the questions, the deputation will be shown to the public area where they may listen to the remainder of the open section of the meeting.

### **KEY ISSUES FOR CONSIDERATION**

4. The Camberwell Baths Campaign have submitted a request for a deputation in respect of the allocation of funding for the refurbishment of the sports hall at Camberwell Baths and a request from the campaign that capital funding for this be considered by the cabinet.

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

#### **Comments of the Strategic Director of Environment**

5. To follow.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Correspondence from the deputation	160 Tooley Street, London SE1 2QH	Everton Roberts 020 7525 7221 / Paula Thornton 020 7525 4395

**AUDIT TRAIL**

<b>Lead Officer</b>	Ian Millichap, Constitutional Manager	
<b>Report Author</b>	Everton Roberts, Constitutional Officer	
<b>Version</b>	draft	
<b>Dated</b>	6 June 2011	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>		6 June 2011

<b>Item No.</b> 7.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Capital Programme 2010/11 Outturn Report	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

This report sets out the end-year position for 2010/11's capital programme. Cabinet members will recall that we have considered quarterly monitoring reports during the year and that we asked officers to work to make more realistic profiles of expenditure and address budgetary issues during that financial year. This work has led to the projected general fund programme for the year decreasing from an adverse variance of almost £50m at the end of quarter one, to a balanced position by the end of the year.

The revised full ten-year general fund programme has been informed by this monitoring report and will be considered separately at this Cabinet meeting before being submitted to the July Council Assembly for approval.

The report also sets out the end-year position for the Housing Investment Programme. This now has a favourable variation of £17.2m for 2010/11, largely as a result of the reprofiling of expenditure arising from the review of the housing investment strategy.

The report asks us to approve the reprofiled general fund capital programme budget and approve the virements and funded additions to the programme set out in appendix C. I would therefore recommend that Cabinet, after due consideration, agree the recommendations set out below.

### **RECOMMENDATIONS**

That Cabinet:

1. Notes the outturn position for 2010/11 for the general fund capital programme including the overall position of the programme from 2010-19 (appendix A).
2. Notes the outturn position for 2010/11 for the housing investment programme including the overall position of the programme from 2010-16 (appendix B).
3. Approves the virements and funded variations to the general fund capital programme (appendix C).
4. Approves the reprofiling of expenditure and resources into the 2011-19 general fund capital programme (appendix D).

## **BACKGROUND INFORMATION**

5. On 21 September 2010 the 2009/10 capital outturn report was presented to the Cabinet. This reported the capital outturn position at the end of 2009/10 and approved the expenditure and resources to be brought forward into the 2010–19 programme. At that time the total value of the general fund programme and associated resources stood at approximately £531m including the Southwark Schools for the Future programme; the housing investment programme stood at £592m.
6. The quarter 3 monitor showed a total forecast spend of £436m, for the general fund programme for 2010-19, against a revised budget of £436m. The total forecast available resources over the period were £448m, giving an overall surplus of £12.5m. The quarter 3 monitor showed a total forecast spend of £429m for the Housing Investment Programme (HIP) for 2010-16 against a revised budget of £451m.
7. At a current total budget of some £887m (general fund £436m and the housing investment programme £451m), with annual expenditure of £200m per annum, the capital programme represents a major element of the Council's financial activities. It has a significant and very visible impact on the borough, and hence on the lives of those who live, learn, visit or do business here.
8. Due to the size and scale of the capital programme and the number of projects involved, it is inevitable that unforeseeable delays occur which leads to some variation against planned spend. Historically the capital programme expenditure has been over programmed in year, to compensate for these variations whilst retaining a balanced programme overall.
9. This report sets out the outturn position for 2010/11 for both the General Fund programme and the Housing Investment Programme (HIP). It also sets out the impact of the 2010/11 outturn on the programme from 2011/12 onwards.
10. The Capital Programme 2011–2021 report, also on this agenda, refreshes the full capital programme from 2011/12 by reviewing available resources and considering new and emerging priorities.

## **KEY ISSUES FOR CONSIDERATION**

### **2010/11 Outturn**

11. The table below shows the 2010/11 outturn for the General Fund and Housing Investment Programme against the budgeted expenditure for 2010/11. There was a favourable variation of £40m against the General Fund programme; also there was a favourable variation of £17.3m on the Housing Investment Programme. These variations are explained by the reprofiling of budgets across a range of programme activities, due mainly to the complexities of procuring contractual provisions across a programme of this size and thereafter the practicalities of contractor management and monitoring.

<b>DEPARTMENT</b>	<b>2010/11 Revised Budget</b>	<b>2010/11 Outturn</b>	<b>Outturn/ Forecast Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>General Fund</b>			
Children Services	24,790	19,573	(5,217)
Southwark Schools for the Future	27,689	25,963	(1,726)
Finance & Resources	2,756	1,519	(1,237)
Environment	32,998	20,441	(12,557)
Health & Community Services	9,773	7,836	(1,937)
Housing General Fund	11,868	5,235	(6,633)
Regeneration & Neighbourhood	26,317	15,536	(10,781)
<b>Total General Fund</b>	<b>136,191</b>	<b>96,103</b>	<b>(40,088)</b>
<b>Housing Investment Programme</b>	<b>87,781</b>	<b>70,536</b>	<b>(17,245)</b>

12. Total general fund departmental expenditure was £96.1m against a revised budget of £136.2m. This is in line with general fund expenditure in 2009/10. This demonstrates a continued significant investment in achieving the council's key priorities and objectives. In 2009/10 the in-year variation of expenditure was 32%; this has decreased slightly in 2010/11 to 29%.
13. Total housing investment programme expenditure for 2010/11 was £70.5m against an original budget of £87.8m. This is approximately 27% lower than the housing investment programme expenditure in 2009/10. The in-year variation of expenditure against budget is approximately 20%.
14. Paragraphs 17 to 60 below provide commentary on the capital programme for each department.
15. Between the quarter 3 monitoring report to Cabinet in March 2011 and the end of the financial year, there have been a number of funded or agreed variations to the capital programme budgets. These have been included in the total budgets against which the outturn expenditure is set, so as to provide an up to date position of the budgets available at 1 April 2011. Commentary on these additions is included in the departmental commentaries below.
16. The Southwark Schools for the Future (SSF) budget has been adjusted from the original £44.8m reported budget in quarter 3 monitoring report to £27.7m due to the exclusion of the PFI funded elements of the SSF programme.

## Comments on Capital Programme by Service

### General Fund (Appendix A)

#### Children's Services

17. The total programme spend of the Children's Services capital programme was £19.6m in 2010/11 against a revised budget of £24.8m, a variation of £5.2m. This variance is made up of £2.4m on the primary capital programme; £960k across the children's centres; £630k on the three primaries programme; £730k against youth services projects and £440k on smaller or older capital programmes. The reasons for the most significant variances are shown below in the context of the programme as a whole.
18. 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. Designed by Archial, the new school also provides opportunities for adult education in this disadvantaged community. This is the first of the three major primary school projects commissioned in 2007, supporting the raising of attainment and the need for additional places in the context of the sensitive redevelopment of existing sites and buildings. Additional resources for this programme are sought for approval through this report due to anticipated budgetary pressures, through viring resources from the existing primary capital programme and earmarking of the new 2011/12 grant allocation from government.
19. The £2.4m variation in the Primary Capital Programme (PCP) is mainly due to a variation of £1.2m in relation to the new Cherry Garden Primary special school, the highest priority in the programme and one on which consultation has been proceeding. A co-location with Gloucester Primary School, this has been delayed because of the need to consider very carefully the needs of both schools, particularly at a time when the focus on improving educational outcomes is very specific at Gloucester. Although in the medium term the investment is part of the improvement strategy, the project does need to be very carefully considered to ensure that the integration of both schools is both sensitive and effective.
20. Further PCP variances include: Goose Green, a variance of £600k is due to delays in obtaining listed building consent and the need to reconfigure the scheme to take account of the loss of Sure Start capital funding for a children's centre. The scheme will provide a new kitchen to enable the delivery of on site healthy meals, a new front entrance and a bulge class to meet the growth in rolls in East Dulwich. The variance of £600k on the scheme at Robert Browning is due to delays to the start and the effect of the prolonged cold weather earlier in the year, although it remains on budget overall.
21. The PCP variances described above were offset by various overspends including more significantly a variance of £250k at Heber School arising from the need to implement a bulge class to start in September 2010, again to meet the urgent need for places in East Dulwich, against a budget of £300k which was held in the subsequent year. The circumstances at Dog Kennel Hill school are similar, where a scheme for new windows and doors had been successfully completed although the budget has been profiled against later years. Both bulge classes have been fully subscribed and welcomed by parents, helping to support popular and successful schools.

22. The Children's Centre variance of £960k consists of the following: £250k at Rye Oak is because outstanding defects have not yet been resolved, and the final account payments cannot be released. The variance of £380k on the Gumboots Nursery project reflects delays in manufacturing the specialist building materials over the Christmas break period, also affected by the adverse weather conditions. The scheme itself remains substantially on budget, and will provide new high quality places for under 3s in East Dulwich.
23. There is a £730k variance for various youth projects; these variances are due to a change in the profile of expenditure, which is now expected to occur in the following financial year.

### **Southwark Schools for the Future**

24. The two sample schools commissioned for phase 1 in May 2009 have been brought into service. Tuke special community school opened in September 2010. St Michael's catholic college voluntary aided school was completed and commenced a 25 year PFI operational period in January 2011.
25. Four phase 2 schools entered into contract in August 2010. These include a further two voluntary aided PFI schools: St Thomas the Apostle college and Sacred Heart; Spa community special school and New School Aylesbury academy. The progress of these schools and achievement of the milestones are largely on target.
26. The variance in 2010/11 is due to programmed works being reprofiled into 2011/12.

### **Health and Community Services**

27. The Health & Community Services capital programme is transferring an unspent balance of £1.69m into 2011/12 from the Southwark Resource Centre project. This is due to delays in completing the building as well as a retention fee payable 12 months after completion. The programme is expected to complete in June 2011.
28. Works on Cherry Gardens Day Centre for people with Learning Disabilities were completed on 20 September 2010 with a 2.5% retention fee withheld in accordance with terms of the contract. This fee will be paid in 2011/12.
29. Social Care Single Capital Pot and Social Care IT Infrastructure budgets have underspent in 2010/11 by £58k. This unspent funds have been transferred into the 2011/12 programme.
30. The variance on the Transformation in Adult Social Care capital grant of £187k is now earmarked for phase 2 of the Carefirst upgrade programme, which will occur in 2011/12.
31. Thames Reach Employment Academy is a passported capital grant through Health & Community Services in 2010/11. The final figure transferred through Southwark was £3.5m.

## Environment

32. The department carried out a detailed review of the capital programme during the third and fourth quarters. Projections and profiling of spend were scrutinised to arrive at a more realistic estimate of expenditure for the year. Against the original allocation of £89.1m, £1.3m of budget was identified as surplus to requirements and returned to the centre, giving a revised allocation of £87.8m. For 2010/11 against the revised budget of £33.0m the final outturn is £20.4m giving £12.6m variance which will be carried forward to 2011/12. The progress of major schemes is outlined below.

## Sustainable Services

33. The Waste PFI contract has been running for three years and has already provided significant benefits to the Council, even before the new waste processing facilities are operational on the Old Kent Road. The key objective of the project, highlighted at the OBC stage, was to provide a sustainable long-term solution for the collection, treatment, recycling and disposal of municipal waste in the Borough, capable of meeting high national and local performance targets and delivering ongoing service improvement over the duration of the contract. The service is well on track to achieving these goals
34. The construction of the new facility road access and associated works are currently at a fairly advanced stage and expected to be completed by December 2011 and fully operational during January 2012. The project is expected to be delivered within budget.
35. Southeast London Combined Heat and Power (SELCHP) and Multi Utility Services Company (MUSCO) decentralised energy initiatives: £1m capital fund was allocated for professional services required to undertake two large scale decentralised energy initiatives in Southwark, (technical, legal, financial & commercial negotiation services). These initiatives were 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. The cabinet has now agreed not to proceed with the MUSCO project. However, the SELCHP project has cabinet approval to proceed and officers are currently working on heads of terms and financial model with Veolia. The adjustment to the budget for the project to reflect this change in strategy is detailed in the capital programme 2011-21 report, also on this agenda.

## Public Realm

36. In 2010/11 223 Cleaner Greener Safer (CGS) projects were delivered (2009/10: 291) with a further reduction in average time for completion from 35 to 17 weeks. Total spend was £3.99m against a budget target of £6.4m. The remaining budget will be carried forward to the new year.
37. Burgess Park Revitalisation Project – in February 2011 planning permission was granted for the scheme. Some preparatory works took place during March and early April. The revised tender submitted by the contractor is within budget and is anticipated that the contract will be signed at the end of May. The works are expected to start in June 2011 and complete by March 2012 to meet the grant conditions.



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

38. Dulwich leisure centre - phase 1 works were completed in September 2010 and the swimming pool was opened. Phase 2 is currently on site and includes a refurbished gym hall, new dry side changing areas, restoration works to the existing East Dulwich Road entrance building and finalisation of all remaining areas across the centre. The entire project is due to be completed by July 2011.
39. Camberwell leisure centre - work on the refurbishment of the centre got underway in 2009. Although outturn is showing budget of £4.3m, the projected total expenditure for the project is £5.2m. Approval is sought to vire the remaining £870k from existing budgets within leisure capital programme which are not yet committed. Phase 1 of the Camberwell refurbishment includes the new entrance; cafe; swimming pools and wet-side changing rooms, and opened at the end of February. The second phase (including the gym; dayside changing rooms; Warwick Hall and the youth facility) will open in late spring/early summer 2011 but the timing is subject to listed building consent being granted.
40. Thomas Carlton centre - refurbishment work to the centre was funded by a £750k contribution from the Skills Funding Agency (originally the Learning and Skills Council) and £250k match funding by the council. Work includes a new entrance with landscaped outside space and reception, improved and enlarged classrooms, modernised toilet facilities throughout, new electrics and decorations and the provision of a health and fitness area on the second floor. The building was completed and handed over to the client on 7 March 2011 and the contract is now in the defects liability period. The contract was completed within cost but was extended in time due to the addition of health and safety works, including upgrading of all staircase doors and screens.

### **Finance & Resources**

41. The facilities management property works programme and works to council buildings to comply with the disability discrimination act (DDA) were delivered within budget. The DDA programme has a £294k favourable variance for 2010/11, which is reprofiled into 2011/12.
42. There has been no change in the overall information services' programme. There is a favourable variance of £943k for 2010/11 which is reprofiled over future years.

### **Regeneration and Neighbourhoods**

43. The current total value of capital budget for the department over the 2010-2019 period is £43.1m and the latest capital monitor is projecting a total forecast spend of £43.1m against this budget. In 2010/11, the department achieved spend of £15.5m against the profiled budget of £26.3m. Details of the total variance of £10.8m by divisions and its capital programmes are given below.
44. Economic development and strategic partnership (ED&SP) had a capital budget for 2010/11 of £7.1m of which £3.9m is from the corporate resources pool. The improving local retail environments programme 2010/11 budget of £3.9m has been reprofiled with a spend of £2.8m being committed in 2011/12, as part of a robust review of spend profiling. The remaining £3.2m is largely derived externally from S106 income, this funding is not limited to the financial year

however spend is conditional on a number of factors including joint working with developers and other partners and the availability of match funding. There have been a variety of external factors that have affected the S106 spend, for example one project is still awaiting Secretary of State Permission to proceed (required as part of the site is a Scheduled Ancient Monument) and the Tanner Street Park project has been affected by the government's cancellation of the Play-Builder funding programme requiring the project to be redesigned. Other S106 projects in the Bankside area have had to be scaled back and re-profiled as the London development agency (LDA) has confirmed that the proposed grant of £4.5m for the Bankside Urban Forest programme will not be available.

45. The capital projects funded by S106 and completed during 2010/11 financial year include the Arc Nursery, the Clink Street tunnel lighting, Dodson and Amigo estate improvements. Other schemes currently on site include Rothsay Street public realm improvements and Flat Iron Square (which is funded by LDA capital grant of £474k). In addition a number of projects are currently under development. These include St Mary Magdalene park improvements (should Secretary of State approval be granted) and Tanner Street Park improvements. Other projects such as Tooley Street Improvements and St John's Churchyard are currently being developed for delivery in 2011/12.
46. With regard to the investment in local retail environments programme (ILRE) scheme, one site has been fully completed and four further sites (Herne Hill, Long Lane, Commercial Way and The Blue) are currently on site. The remaining 16 sites are all in an advanced stage of delivery with planning permissions being granted, tenders sought and contractors appointed.
47. Planning and transport has a total budget of £6.8m for 2010/11, of which £6.1m relates to Transport for London (TfL) funding for the implementation of the borough's transport improvement schemes. TfL allocation reflects the council's key priorities identified in the local implementation plan and draft Transport Plan 2010; the promotion of active and more sustainable modes of transport, reduce transport's contribution to CO<sub>2</sub>, improve safety on our roads, reduce traffic speeds and make the borough a better place.
48. With changes to the way the funding has been managed the 2010/11 programme was built to maximise additional funding streams. To this effect, schemes at Southwark Park Road/The Blue (£406K) and Southampton Way (£275k) provided streetscape improvements to complement the ILRE investment programme. The East Street improvement scheme coincided with the council funded non-principal road renewal programme to maximise the use of funding. All of these schemes are either completed or nearing completion.
49. The new flexibility has also allowed for a strong local input, for example on the East Street scheme the construction period coincided with quiet trading periods. On a more local level a community focussed scheme was also developed in Staffordshire Street and additional funding allowed the delivery of cycle parking on estates.
50. This year also saw the successful completion and 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'.

51. Mid-year, the transport planning team secured additional funding for cycling improvements as part of the cycle superhighway and cycling on greenways programme as well as further funding for highway maintenance to the value of £183k. This supplemented the £231k S106 released in support of the TfL grant funded transport improvement programme.
52. The delivery of some TfL funded projects will extend to the next financial year and this has contributed to the reprofiling of £1.4m of expenditure to 2011/12.
53. The capital budget allocated to property services for 2010/11 is £12.0m, of which £8.2m relates to the completion of the Canada Water library. Review of forecast spending on the library project has resulted in £4.0m of budgeted spend this year is reprofiled into 2011/12.
54. Consultation with local residents has now commenced on the delivery of a new community centre for Nunhead. The project has been re-profiled and the majority of the spend will be achieved in 2011/12.
55. Cabinet agreed a revised office accommodation strategy on 23 November 2010. This recommended a capital budget of £10.8m be allocated to deliver a four-year programme of office rationalisation 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. The full budget is subject to formal approval as part of the council's capital refresh programme.
56. The Aylesbury New Deal for Communities programme completed its final year (year 10) on 31 March 2010. This year reports the final spending on the residual budgets of £104k for the final wrap up of the programme. This project now drops out of the council's capital programme.

### **Housing General Fund**

57. In 2010/11 the total expenditure for the year was £5.2m against a budget of £11.9m. The revised strategy for the housing renewal programme was agreed at Cabinet in January 2011 and the budget will be reprofiled to deliver these important outcomes in line with the timescales set out in the report.
58. The travellers site scheme at Burnhill Close is nearing completion, although there has been some delay due to contractual issues and there is a possibility of increased costs. The revised scheme for the Springtide travellers' site is being worked up following consultation with residents, and will use the balance of grant funding already received.
59. All payments due from the Affordable Housing Fund for the scheme in progress at Canada Water have now been paid. The Ivydale Road scheme has been put back by the developing Housing Association, but it is hoped this will still proceed with expenditure falling in 2011 and 2012. Funding for both schemes is from S106 developer contributions.

60. Demand remains high for Disabled Facilities Grants within the Housing Renewal programme, with year end expenditure of £1.3m including £500k funded through government grant. Central government funding for 2011/12 has been secured at the same level as the previous year, at £500k, although a bid was made for an increase to this, but was unsuccessful. The scheme for solar heating to 60 properties in Peckham, for which £420k targeted sub-regional funding has been received, has now started following the successful completion of pilot schemes in November.

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

61. In 2010/11 the total expenditure for the year was £70.5m against a budget of £87.8m. This variance is largely due to reprofiling the expenditure following the initiation of the review of the housing investment strategy (initial report to Cabinet in December 2010).
62. The HIP is resource-led, and the planned programme reflects the anticipated level of available resources. No government borrowing approval has been given beyond 2010/11, and the outcome of the bid to HCA for Decent Homes backlog funding over the next four years has been disappointing. This resulted in an award of debt reduction for 2012/13, and how this may generate resources for investment in practice is to be clarified, and grant allocations for 2013/14 and 2014/15 which are indicative only. These resources are therefore not included in current assumptions but will facilitate bringing forward the planned programme should they become available. Meanwhile there is increased reliance on other resources including capital receipts to fund the programme. The current voids strategy is being reviewed in this light and is the subject of a separate report to cabinet.
63. The HRA programme included planned expenditure of £40m for works to make properties warm, dry and safe in line with the decent homes standard. The reprofiling of the current two year programme due to the uncertainty of resources resulted in a reduced outturn of £33.6m against this figure. Of this amount £6.8m was spent within revenue accounts, leaving the figure of £26.8m showing in the capital outturn position. In spite of the reduced expenditure, the target of 1,700 dwellings to be made decent in 2010/11 has been exceeded with a total of 1,956 achieved. Due to the trend of increased revenue expenditure within this category (which covers fees to work up schemes, and non-capital works included in contracts such as associated decorations) the forecasts for future capital expenditure have been revised downwards.
64. The programme of strategic safety works continues, to address issues identified following the two major fires in 2009. The total spend in 2010/11 was £4.5m and is funded from a general fund corporate resource pool contribution, totalling £19m over four years. In addition to the £19m corporate contribution, additional works totalling £11m have been identified which will be funded from existing HIP resources.
65. The two new build schemes under the HCA Challenge Fund programme to deliver new council homes at Brayards Road and Lindley Estate have now started on site and grant funding has been drawn down to fund the related expenditure.

66. The overall housing investment programme is the subject of a separate report to cabinet which will include the revised strategy and other changes in addition to those outlined above. For future monitors it is intended that the capital elements of the programme will be reported in a slightly different format to include other sub-headings in line with the HIP strategy report.

### **Resource Implications**

67. The council's capital resources are comprised of planned capital receipts, government supported borrowing, grant, resources from Section 106 agreements, and revenue contributions.
68. As at 31 March 2011 the Council had accumulated cash balances of £96.6m to help fund the current capital programme, which are reported within the draft statement of accounts and represented as follows:
- capital receipts reserve balance           £ 35.7m
  - capital grants unapplied balance       £ 60.9m  
(of which £24.9m relates to section106)
69. These balances are committed against existing capital projects but were unapplied as at 31 March 2011 and could be subject to minor adjustment following the finalisation of the 2010/11 accounts.
70. Significant cuts were imposed by the new government through its emergency budget on 22 June 2010 to reduce the overall government deficit. The savings across the public sector amount to a real terms reduction of around 25% on average over the next four financial years in government spending. These likely reductions, and the continued impact of the recession on land and property values, present a key financial risk to the resources available to meet the requirements of the council's ambitious 10-year capital programme.
71. An assessment on the impact on future capital resources is considered in the capital programme 2011–2021 paper on this meeting's agenda. This will also allow the cabinet to map the direction of travel with regards to capital spending, assessment of the new pressures and hence take informed decisions around priorities.

### **Capital Programme 2011-19**

72. The current forecast position for the capital programme 2011-19 including the expenditure variations, programme variations and reprofiling arising from the outturn position at the end of 2010/11, is a total programme of expenditure of £280.0m and funding of £333.3m.
73. The current forecast position for the housing investment programme for 2011-16, including the effect of variations, is a total programme of expenditure of £375.5m and funding of £375.5m.
74. Between the quarter 3 monitoring report to Cabinet in March 2011 and the outturn position, there have been a number of funded or agreed variations to the capital programme budgets. These have been included in the total budgets against which the outturn expenditure is set, so as to provide an up to date position of the budgets available at 1 April 2011. Commentary on these additions

is included in the departmental commentaries above. In addition to this, the SSF overall programme has been adjusted due to the exclusion of the PFI funded elements which are outside the capital programme.

### **Community impact statement**

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

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

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

76. The Council has a duty to maintain a balanced budget throughout the year and, accordingly, members are required to regularly monitor the Council's financial position. 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.
77. The Capital Programme 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.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Capital monitoring working papers	160 Tooley Street, London SE1 2QH	Funmi Kosoko 020 7525 0642

### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	General Fund summary
Appendix B	Housing Investment Programme summary
Appendix C	Funded Variations and Virements for approval
Appendix D	Reprofiling of General Fund Spend and Resources

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone - Finance, Resources and Community Safety	
<b>Lead Officer</b>	Duncan Whitfield - Finance Director	
<b>Report Author</b>	Cathy Doran – Head of Financial Monitoring Budgets and Programming	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	No concurrent required
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	10 June 2011	

General Fund Capital Programme 2010/11 Outturn Summary

Appendix A

Department	2010/11						2011/12					
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Outturn	Variance	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	25,883	(1,130)	37	24,790	19,573	(5,217)	15,808	0	1,500	17,308	13,059	(4,249)
Southwark Schools for the Future	44,790	0	(17,101)	27,689	25,963	(1,726)	54,033	0	(8,999)	45,034	48,059	3,025
Finance and Resources	2,756	0	0	2,756	1,519	(1,237)	2,325	0	0	2,325	3,558	1,233
Environment	31,981	706	311	32,998	20,441	(12,557)	21,056	400	11	21,467	29,694	8,227
Health & Community Services	9,937	0	(164)	9,773	7,836	(1,937)	0	0	818	818	2,396	1,578
Housing General Fund	11,834	0	34	11,868	5,235	(6,633)	6,282	0	0	6,282	7,323	1,041
Regeneration & Neighbourhoods	25,993	24	300	26,317	15,536	(10,781)	12,018	0	100	12,118	17,990	5,872
<b>TOTAL</b>	<b>153,174</b>	<b>(400)</b>	<b>(16,583)</b>	<b>136,191</b>	<b>96,103</b>	<b>(40,088)</b>	<b>111,522</b>	<b>400</b>	<b>(6,570)</b>	<b>105,352</b>	<b>122,079</b>	<b>16,727</b>

<b>FINANCED BY:</b>												
Capital Grants Unapplied @ 31.03.10	15,371	0	0	15,371	13,926	(1,445)	0	0	0	0	0	0
Capital Grants Unapplied @ 31.03.10 - S106	7,889	(154)	0	7,735	0	(7,735)	0	(642)	0	(642)	2,204	2,846
Section 106 Funds - New	2,060	0	0	2,060	0	(2,060)	788	0	0	788	2,848	2,060
Corporate Resource Pool	19,936	0	0	19,936	12,526	(7,410)	26,100	0	(2,250)	23,850	27,384	3,534
Receipts from Accomodation strategy	0	0	0	0	0	0	300	0	0	300	300	0
Payback of Housing Receipts	(9,009)	0	0	(9,009)	0	9,009	0	0	0	0	0	0
General fund Contribution to HIP	(4,252)	0	0	(4,252)	(4,509)	(257)	(6,025)	0	0	(6,025)	(0)	6,025
Major Repairs Allowance	0	0	0	0	0	0	0	0	0	0	0	0
Supported Borrowing	0	0	0	0	8,134	8,134	0	0	0	0	0	0
Reserves & Revenue	2,722	0	380	3,102	4,538	1,436	923	0	0	923	397	(526)
SSF Capital Grant	43,546	0	(17,491)	26,055	25,594	(461)	51,783	0	(6,764)	45,019	46,576	1,557
Capital Grants	29,946	0	89	30,035	31,072	1,037	8,547	0	2,329	10,876	14,775	3,899
Section 106 Funds	7,450	154	0	7,604	4,283	(3,321)	3,000	642	100	3,742	5,303	1,561
External Contributions	291	0	439	730	539	(191)	0	0	15	15	207	192
<b>TOTAL RESOURCES</b>	<b>115,950</b>	<b>0</b>	<b>(16,583)</b>	<b>99,367</b>	<b>96,103</b>	<b>(3,264)</b>	<b>85,416</b>	<b>0</b>	<b>(6,570)</b>	<b>78,846</b>	<b>99,994</b>	<b>21,148</b>
<b>Forecast variation (under)/over</b>	<b>37,224</b>	<b>(400)</b>	<b>0</b>	<b>36,824</b>	<b>0</b>	<b>(36,824)</b>	<b>26,106</b>	<b>400</b>	<b>0</b>	<b>26,506</b>	<b>22,085</b>	<b>(4,421)</b>



Department	2012/13+						Total Programme 2010/11 - 18/19					
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Forecast	Variance	Total Agreed Budget @ 01/04/2010	Budget Virements	Budget Variations	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	27,447	0	0	27,447	36,889	9,442	69,138	(1,130)	1,537	69,545	69,521	(24)
Southwark Schools for the Future	103,409	0	(37,752)	65,657	64,358	(1,299)	202,232	0	(63,852)	138,380	138,380	0
Finance and Resources	1,921	0	0	1,921	1,925	4	7,002	0	0	7,002	7,002	0
Environment	33,348	0	0	33,348	37,672	4,324	86,385	1,106	322	87,813	87,807	(6)
Health and Community Services	0	0	837	837	1,196	359	9,937	0	1,491	11,428	11,428	0
Housing General Fund	706	0	0	706	6,298	5,592	18,822	0	34	18,856	18,856	0
Regeneration and Neighbourhoods	4,697	0	0	4,697	9,542	4,845	42,708	24	400	43,132	43,068	(64)
<b>TOTAL</b>	<b>171,528</b>	<b>0</b>	<b>(36,915)</b>	<b>134,613</b>	<b>157,880</b>	<b>23,267</b>	<b>436,224</b>	<b>0</b>	<b>(60,068)</b>	<b>376,156</b>	<b>376,062</b>	<b>(94)</b>

<b>FINANCED BY:</b>												
Capital Grants Unapplied @ 31.03.10 - Grants				0	0	0	15,371	0	0	15,371	13,926	(1,445)
Capital Grants Unapplied @ 31.03.10 - S106		0	0	0	0	0	7,889	(796)	0	7,093	2,204	(4,889)
Section 106 Funds - New	6,163	0	0	6,163	6,163	0	9,011	0	0	9,011	9,011	0
Corporate Resource Pool	128,950	0	0	128,950	168,000	39,050	174,986	0	(2,250)	172,736	207,910	35,174
Receipts from Accomodation strategy	6,000	0	0	6,000	6,000	0	6,300	0	0	6,300	6,300	0
Payback of Housing Receipts		0	0	0	(5,649)	(5,649)	(9,009)	0	0	(9,009)	(5,649)	3,360
General fund Contribution to HIP	(5,000)	0	0	(5,000)	(10,768)	0	(15,277)	0	0	(15,277)	(15,277)	(0)
Major Repairs Allowance	0	0	0	0	0	0	0	0	0	0	0	0
Supported Borrowing	0	0	0	0	0	0	0	0	0	0	8,134	8,134
Reserves & Revenue	571	0	0	571	571	0	4,216	0	380	4,596	5,506	910
SSF Capital Grant	94,185	0	(38,252)	55,933	54,837	(1,096)	189,514	0	(62,507)	127,007	127,007	0
Capital Grants	16,351	0	837	17,188	10,372	(6,816)	54,844	0	3,255	58,099	56,219	(1,880)
Section 106 Funds	0	0	0	0	1,760	1,760	10,450	796	100	11,346	11,346	0
External Contributions	3,071	0	500	3,571	2,048	(1,523)	3,362	0	954	4,316	2,794	(1,522)
<b>TOTAL RESOURCES</b>	<b>250,291</b>	<b>0</b>	<b>(36,915)</b>	<b>213,376</b>	<b>233,334</b>	<b>19,958</b>	<b>451,657</b>	<b>0</b>	<b>(60,068)</b>	<b>391,589</b>	<b>429,431</b>	<b>37,842</b>
<b>Forecast variation (under)/over</b>	<b>(78,763)</b>	<b>0</b>	<b>0</b>	<b>(78,763)</b>	<b>(75,454)</b>	<b>3,309</b>	<b>(15,433)</b>	<b>0</b>	<b>0</b>	<b>(15,433)</b>	<b>(53,369)</b>	<b>(37,936)</b>

Department	2010/11						2011/12					
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Outturn	Variance	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Decent Homes allocation (capital only)	40,000	0	0	40,000	26,803	(13,197)	40,000	0	0	40,000	32,605	(7,395)
Other major works to stock	4,170	0	0	4,170	8,011	3,841	7,989	0	0	7,989	8,524	535
Landlord obligations	15,079	0	0	15,079	12,097	(2,982)	21,565	0	0	21,565	19,514	(2,051)
Major refurb schemes	11,398	0	0	11,398	9,370	(2,028)	5,952	0	0	5,952	13,187	7,235
Other programmes	5,994	0	0	5,994	3,967	(2,027)	6,775	0	0	6,775	7,948	1,173
Strategic Safety works	4,249	0	0	4,249	5,206	957	6,068	0	0	6,068	16,192	10,124
Heygate	3,329	0	0	3,329	3,165	(164)	2,061	0	0	2,061	3,932	1,871
Aylesbury	3,562	0	0	3,562	1,917	(1,645)	8,261	0	0	8,261	5,228	(3,033)
<b>TOTAL</b>	<b>87,781</b>	<b>0</b>	<b>0</b>	<b>87,781</b>	<b>70,536</b>	<b>(17,245)</b>	<b>98,671</b>	<b>0</b>	<b>0</b>	<b>98,671</b>	<b>107,130</b>	<b>8,459</b>

<b>FINANCED BY:</b>												
Corporate Resource Pool	4,252	0	0	4,252	4,511	259	6,049	0	0	6,049	0	(6,049)
Major Repairs Allowance	14,368	0	0	14,368	1,562	(12,806)	38,157	0	0	38,157	51,706	13,549
Supported Borrowing	37,575	0	0	37,575	37,575	0	37,666	0	0	37,666	38,811	1,145
Reserves & Revenue	12,526	0	0	12,526	12,526	0	0	0	0	0	0	0
SSF Capital Grant	12,056	0	0	12,056	10,206	(1,850)	12,010	0	0	12,010	7,354	(4,656)
Capital Grants	4,363	0	0	4,363	4,155	(208)	2,024	0	0	2,024	2,535	511
Section 106 Funds	3	0	0	3	1	(2)	100	0	0	100	100	0
External Contributions	2,638	0	0	2,638	0	(2,638)	2,665	0	0	2,665	6,624	3,959
<b>TOTAL RESOURCES</b>	<b>87,781</b>	<b>0</b>	<b>0</b>	<b>87,781</b>	<b>70,536</b>	<b>(17,245)</b>	<b>98,671</b>	<b>0</b>	<b>0</b>	<b>98,671</b>	<b>107,130</b>	<b>8,459</b>
<b>Forecast variation (under)/over</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Department	2012/13+						Total Programme 2010/11 - 18/19					
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Forecast	Variance	Total Agreed Budget @ 01/04/2010	Budget Virements	Budget Variations	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Decent Homes allocation (capital only)	160,000	0	0	160,000	130,421	(29,579)	240,000	0	0	240,000	189,829	(50,171)
Other major works to stock	26,222	0	0	26,222	30,603	4,381	38,381	0	0	38,381	47,138	8,757
Landlord obligations	28,289	0	0	28,289	48,204	19,915	64,933	0	0	64,933	79,815	14,882
Major refurb schemes	9,948	0	0	9,948	11,302	1,354	27,298	0	0	27,298	33,859	6,561
Other programmes	8,730	0	0	8,730	18,142	9,412	21,499	0	0	21,499	30,057	8,558
Strategic Safety works	5,067	0	0	5,067	5,426	359	15,384	0	0	15,384	26,824	11,440
Heygate	3,054	0	0	3,054	2,751	(303)	8,444	0	0	8,444	9,848	1,404
Aylesbury	22,803	0	0	22,803	21,482	(1,321)	34,626	0	0	34,626	28,627	(5,999)
<b>TOTAL</b>	<b>264,113</b>	<b>0</b>	<b>0</b>	<b>264,113</b>	<b>268,331</b>	<b>4,218</b>	<b>450,565</b>	<b>0</b>	<b>0</b>	<b>450,565</b>	<b>445,997</b>	<b>(4,568)</b>

<b>FINANCED BY:</b>												
Corporate Resource Pool	5,397	0	0	5,397	10,884	5,487	15,698	0	0	15,698	15,395	(303)
Major Repairs Allowance	66,561	0	0	66,561	67,079	518	119,086	0	0	119,086	120,347	1,261
Supported Borrowing	154,142	0	0	154,142	158,828	4,686	229,383	0	0	229,383	235,214	5,831
Reserves & Revenue	0	0	0	0	0	0	12,526	0	0	12,526	12,526	0
SSF Capital Grant	31,702	0	0	31,702	28,276	(3,426)	55,768	0	0	55,768	45,836	(9,932)
Capital Grants	6,202	0	0	6,202	150	(6,052)	12,589	0	0	12,589	6,840	(5,749)
Section 106 Funds	9	0	0	9	11	2	112	0	0	112	112	0
External Contributions	100	0	0	100	3,103	3,003	5,403	0	0	5,403	9,727	4,324
<b>TOTAL RESOURCES</b>	<b>264,113</b>	<b>0</b>	<b>0</b>	<b>264,113</b>	<b>268,331</b>	<b>4,218</b>	<b>450,565</b>	<b>0</b>	<b>0</b>	<b>450,565</b>	<b>445,997</b>	<b>(4,568)</b>
<b>Forecast variation (under)/over</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Programme Variations

## Appendix C

Variation	Children's Services	Finance and Resources	Environment	Health and Community Services	Housing General Fund	Southwark Schools for the Future	Regeneration and Neighbourhoods	General Fund Programme Total	Housing Investment Programme	Total Programmed expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>BUDGET AS AT QUARTER 3 REPORT</b>	69,138	7,002	86,385	9,937	18,822	202,232	42,708	436,224	450,564	886,788
<b>CHANGES IN DEPARTMENTAL RESPONSIBILITY</b>										
MUGAS	(400)		400					0		0
Belair additional funding	(730)		730					0		0
Rothsay Street Improvements			(24)				24	0		0
<b>RESTRUCTURED OUTTURN BUDGETS</b>	68,008	7,002	87,491	9,937	18,822	202,232	42,732	436,224	450,564	886,788
<b>Q4 - VIREMENTS REQUESTED TO BE APPROVED</b>										
3 Primaries	584									
Primary Capital Programme	(584)									
Camberwell Leisure Centre			870							
Seven Islands Leisure Centre			(158)							
Southwark Park			(696)							
Leisure Centre Essential Works			(16)							
<b>PROGRAMME FUNDED VARIATIONS</b>										
<b>Q4 - VARIATIONS REQUESTED TO BE APPROVED</b>										
St Michael's PFI						(17,192)		(17,192)		(17,192)
Tuke Special School						23		23		23
St Michaels and All Angels						(7,055)		(7,055)		(7,055)
STAC PFI St Thomas the Apostle college						(16,912)		(16,912)		(16,912)
Notre Dame (Voluntary Aided)						(52)		(52)		(52)
Sacred Heart PFI						(20,174)		(20,174)		(20,174)
SSSO (VA) St Saviours and St Olaves						(81)		(81)		(81)
Bredinghurst / KS3 SILS						(123)		(123)		(123)
Southwark Schools for the Future ICT						(35)		(35)		(35)
Unallocated Projects						(2,250)		(2,250)		(2,250)
Bankside Urban Forest						7		7		7
Union St / Blackfriars Rd Junction						(40)		(40)		(40)
Streets For People						0		0		0
Cycle Greenways						3		3		3
Cycling on Greenways						1		1		1
Cycle Superhighways Smarter Travel						80		80		80
Canada Water Ancillary Costs						301		301		301
Bermondsey Spa Environmental Improvements						(69)		(69)		(69)
Great Suffolk Street BUP Project						100		100		100
Southampton Way						94		94		94
Social Care IT Infrastructure						5		5		5
Thames Reach Employment				(169)				(169)		(169)
Adult PSS Capital Allocations				1,655				1,655		1,655
Additional GLA grants					8			8		8
GLA empty homes grant from existing allocation					22			22		22
Additional DFG grant					4			4		4
Rothsay Street Improvements							(60)	(60)		(60)
Cathedral Steps - Cross River SRB							(16)	(16)		(16)
John Harvard Library			50					50		50
Construction of boating kiosk Dulwich Park			30					30		30
02208 - London			7					7		7
104630 - Rotherhithe			9					9		9
Loo with a view (Peckham Space)			20					20		20
Gloucester Grove			9					9		9
Camberwell Leisure Centre			99					99		99
St George's / T			70					70		70
01769 - Champio			4					4		4
01793 - Champio			14					14		14
Rye Lane			10					10		10
Walworth CGS			1					1		1
3 Primaries	1,500							1,500		1,500
SureStart Capital Grant	37							37		37
<b>Total Requested to be Approved</b>	1,537	0	322	1,491	34	(63,851)	400	(60,067)	0	(60,067)
<b>REVISED BUDGETS - Q4</b>	69,545	7,002	87,813	11,428	18,856	138,381	43,132	376,157	450,564	826,721
<b>Q4 VARIATIONS REQUESTED TO BE APPROVED</b>										
<b>FINANCED BY:</b>										
Capital Grant	1,537		109	1,491	34	(62,506)	84	(59,251)		(59,251)
Section 106 Funds			88				13	101		101
External Contribution			46			905	3	954		954
Capital Receipt						(2,250)	0	(2,250)		(2,250)
Reserves & Revenue			79				301	380		380
<b>TOTAL RESOURCES</b>	1,537	0	322	1,491	34	(63,851)	400	(60,067)	0	(60,067)

Department	Agreed Budget 01/04/11	2011/12 Forecast	2012/13 Forecast	2013/14+ Forecast	Total Forecast
	£'000	£'000	£'000	£'000	£'000
Children's Services	49,949	13,059	21,077	15,813	49,949
Southwark Schools for the Future	112,417	48,059	53,548	10,810	112,417
Finance and Resources	5,483	3,558	603	1,323	5,483
Environment	67,366	29,694	14,098	23,574	67,366
Health and Community Services	3,591	2,396	1,195	0	3,591
Housing General Fund	13,621	7,323	3,930	2,368	13,621
Regeneration and Neighbourhoods	27,532	17,990	7,461	2,081	27,532
<b>TOTAL</b>	<b>279,958</b>	<b>122,078</b>	<b>101,911</b>	<b>55,970</b>	<b>279,958</b>

<b>FINANCED BY:</b>					
Capital Grants Unapplied @ 31.03.10 - S106	2,204	2,204	0	0	2,204
Section 106 Funds - New	9,011	2,848	663	5,500	9,011
Corporate Resource Pool	195,384	27,384	39,000	129,000	195,384
Receipts from Accomodation strategy	6,300	300	6,000	0	6,300
Payback of Housing Receipts	(5,649)	0	(1,883)	(3,766)	(5,649)
General fund Contribution to HIP	(10,768)	0	(5,768)	(5,000)	(10,768)
Major Repairs Allowance		0	0	0	0
Supported Borrowing		0	0	0	0
Reserves & Revenue	968	397	571	0	968
SSF Capital Grant	101,413	46,576	48,742	6,095	101,413
Capital Grants	25,147	14,775	3,675	6,697	25,147
Section 106 Funds	7,064	5,303	1,761	0	7,064
External Contributions	2,255	207	1,548	500	2,255
<b>TOTAL RESOURCES</b>	<b>333,329</b>	<b>99,994</b>	<b>94,309</b>	<b>139,026</b>	<b>333,329</b>
<b>Forecast variation (under)/over</b>	<b>(53,371)</b>	22,084	7,602	(83,056)	(53,371)

<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Capital Programme 2011–2021	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		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.

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

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 CO<sup>2</sup> 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

<b>Cabinet Member</b>	Councillor Richard Livingstone, Finance, Resources and Community Safety	
<b>Lead Officer</b>	Duncan Whitfield, Finance Director	
<b>Report Authors</b>	Cathy Doran, Head of Financial Monitoring, Budgets and Programming and Sue Emmons, Senior Financial Strategy Accountant (Capital)	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	No concurrent required
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	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
<b>TOTAL</b>	<b>119,523</b>	<b>119,523</b>	<b>0</b>	<b>120,553</b>	<b>120,553</b>	<b>0</b>	<b>36,275</b>	<b>36,275</b>	<b>0</b>
<b>FINANCED BY:</b>									
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
<b>TOTAL RESOURCES</b>		<b>107,486</b>	<b>0</b>		<b>105,770</b>	<b>0</b>		<b>36,864</b>	<b>0</b>
<b>Forecast variation (under)/over</b>		12,037	0		14,783	0		(589)	0
<b>Cumulative position</b>		<b>12,037</b>			<b>26,820</b>			<b>26,231</b>	

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
<b>TOTAL</b>	<b>15,734</b>	<b>15,734</b>	<b>0</b>	<b>15,025</b>	<b>15,025</b>	<b>0</b>	<b>15,325</b>	<b>15,325</b>	<b>0</b>
<b>FINANCED BY:</b>									
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
<b>TOTAL RESOURCES</b>		<b>45,512</b>	<b>0</b>		<b>34,645</b>	<b>0</b>		<b>30,866</b>	<b>0</b>
<b>Forecast variation (under)/over</b>		(29,778)	0		(19,620)	0		(15,541)	0
<b>Cumulative position</b>		<b>(3,547)</b>			<b>(23,167)</b>			<b>(38,708)</b>	

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
<b>TOTAL</b>	<b>6,930</b>	<b>6,930</b>	<b>0</b>	<b>7,195</b>	<b>7,195</b>	<b>0</b>	<b>7,195</b>	<b>7,195</b>	<b>0</b>
<b>FINANCED BY:</b>									
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
<b>TOTAL RESOURCES</b>		<b>21,670</b>	<b>0</b>		<b>10,675</b>	<b>0</b>		<b>10,670</b>	<b>0</b>
<b>Forecast variation (under)/over</b>		(14,740)	0		(3,480)	0		(3,475)	0
<b>Cumulative position</b>		<b>(53,448)</b>			<b>(56,928)</b>			<b>(60,403)</b>	



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
<b>TOTAL</b>	<b>7,245</b>	<b>7,245</b>	<b>0</b>	<b>351,000</b>	<b>351,000</b>	<b>0</b>

<b>FINANCED BY:</b>						
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
<b>TOTAL RESOURCES</b>		<b>10,675</b>	<b>0</b>		<b>414,833</b>	<b>0</b>
<b>Forecast variation (under)/over</b>		(3,430)	0		(63,833)	0
<b>Cumulative position</b>		<b>(63,833)</b>				

<b>HRA anticipated allocations</b>	2011/12	2012/13	2013/14	2014/15	2015/16	Total £m
<b>Warm dry and safe</b>	<b>66.2</b>	<b>58.1</b>	<b>60.4</b>	<b>61.4</b>	<b>80.4</b>	<b>326.5</b>
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
<b>Regeneration</b>	<b>25.7</b>	<b>20.7</b>	<b>14.5</b>	<b>9.7</b>	<b>5.2</b>	<b>75.7</b>
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
<b>Other programmes</b>	<b>15.1</b>	<b>9.9</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>49.5</b>
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
<b>Totals</b>	<b>106.9</b>	<b>88.6</b>	<b>83.1</b>	<b>79.3</b>	<b>93.8</b>	<b>451.8</b>

<b>HRA anticipated resources</b>	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
<b>Totals</b>	<b>107.7</b>	<b>90.0</b>	<b>83.9</b>	<b>83.7</b>	<b>94.5</b>	<b>452.6</b>

<b>HRA resources v allocations</b>	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
<b>Children's Services</b>											
Canada Water contribution	(300)										(300)
Rotherhithe contribution - reprofiled				(6,000)	3,000	3,000					0
<b>Finance &amp; Resources</b>											
Reprofile of small ICT projects budget	(690)	(45)	(45)	(15)				265	265	265	0
<b>Southwark Schools for the Future</b>											
Contingency reinstated	3,000	3,000									6,000
Reduction in contingency	(2,500)										(2,500)
<b>Environment</b>											
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
<b>Housing General Fund</b>											
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
<b>Regeneration &amp; Neighbourhoods</b>											
Reprofile Support for New Voluntary Sector Infrastructure	(1,073)			1,073							0
<b>TOTAL</b>	<b>(7,795)</b>	<b>(2,033)</b>	<b>(530)</b>	<b>(5,348)</b>	<b>2,941</b>	<b>5,775</b>	<b>2,380</b>	<b>2,645</b>	<b>2,645</b>	<b>2,645</b>	<b>3,325</b>

# 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
<b>Children's Services</b>											
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
<b>Finance and Resources</b>											
Refresh capital contingency reserve						550	550	550	550	600	2,800
Essential Upgrade to Carefirst Computer System	645	2,155									2,800
<b>Environment</b>											
Olympics Legacy	1,450	550									2,000
Elephant & Castle Leisure Centre	1,000	12,000	6,500	500							20,000
Non-principal road programme						4,000	4,000	4,000	4,000	4,000	20,000
Seven Islands Leisure Centre					3,000	5,000					8,000
Camberwell Leisure Centre contribution	521										521
Peckham Rye one o'clock club		100									100
Upgrade of essential CCTV	100	180									280
Additional cemetery spaces	410										410
<b>TOTAL</b>	<b>6,926</b>	<b>20,674</b>	<b>6,500</b>	<b>2,500</b>	<b>5,000</b>	<b>9,550</b>	<b>4,550</b>	<b>4,550</b>	<b>4,550</b>	<b>4,600</b>	<b>69,400</b>
<b>FINANCED BY:</b>											
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
<b>TOTAL</b>	<b>6,926</b>	<b>20,674</b>	<b>6,500</b>	<b>2,500</b>	<b>5,000</b>	<b>9,550</b>	<b>4,550</b>	<b>4,550</b>	<b>4,550</b>	<b>4,600</b>	<b>69,400</b>

**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 CO<sup>2</sup> 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 <sup>2</sup> ) - 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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<b>Total</b>	<b>12,488,687</b>
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**CONFIRMED RESOURCES - DfE Grant**

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

## General Fund Capital Programme 2011-21

## Appendix F

<b>Capital Programme 2011/12-2020/21</b>	<b>Environment</b>		
<b>Description of Programme / Project</b>	<b>2011/12</b>	<b>2012/13+</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Environment Total</b>	<b>27,947,541</b>	<b>90,854,572</b>	<b>118,802,113</b>
<b>Capital Programme 2011/12-2020/21</b>	<b>Children's Services</b>		
<b>Description of Programme / Project</b>	<b>2011/12</b>	<b>2012/13+</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Children's Services Total</b>	<b>14,058,996</b>	<b>46,579,197</b>	<b>60,638,193</b>

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
<b>Finance and Resources Total</b>	<b>3,512,518</b>	<b>7,570,221</b>	<b>11,082,739</b>
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
<b>Regeneration and Neighbourhoods Total</b>	<b>16,917,123</b>	<b>10,614,682</b>	<b>27,531,805</b>
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
<b>Health and Community Services Total</b>	<b>2,209,341</b>	<b>1,194,651</b>	<b>3,403,992</b>
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
<b>Southwark Schools for the Future Total</b>	<b>48,558,614</b>	<b>67,358,423</b>	<b>115,917,038</b>

<b>Capital Programme 2011/12-2020/21</b>	<b>Housing General Fund</b>		
<b>Description of Programme / Project</b>	<b>2011/12</b>	<b>2012/13+</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Housing General Fund Total</b>	<b>6,317,982</b>	<b>7,303,132</b>	<b>13,621,114</b>
<b>Capital Programme 2011/12-2020/21</b>	<b>Total General Fund Programme</b>		
	<b>2011/12</b>	<b>2012/13+</b>	<b>Total</b>
	<b>£</b>		<b>£</b>
<b>Total Expenditure</b>	119,522,116	231,474,878	350,996,994
<b>Total Resources</b>	107,486,000	307,347,000	414,833,000
<b>Forecast variation (under)/over</b>	<b>12,036,116</b>	<b>(75,872,122)</b>	<b>(63,836,006)</b>



<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Southwark Schools for the Future (SSF): Update to Cabinet and delegation of award of contracts	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Catherine McDonald, Children's Services	

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

This report seeks to update Cabinet on the status of the Building Schools for the Future programme following the financial close of the Phase 2 programme and the value for money review conducted by Partnerships for Schools on behalf of the Department for Education.

Despite being advised in July 2010 that our programme would be unaffected by cuts to BSF nationally in October 2010 we were advised that all our projects would be reviewed in order that any possible savings could be identified. We have now had confirmation of budgets for all our projects except the planned New School in Rotherhithe and our KS4 Inclusive Learning provision.

In November 2010 we were advised that the Department for Education no longer supported a new school in Rotherhithe but that a lesser allocation of funds would be available to deliver up to two forms of entry locally. The amount has still to be determined by the Department, that is, no confirmation of funds for this project was given through the BSF legacy process and since that time we have resubmitted Pupil Place Planning data in support of the need for new places in Rotherhithe at Partnerships for Schools' request. We await feedback from Partnerships for Schools in regard to the accepted need for places and the funding available to deliver them.

This report also seeks delegation from the Leader to the Cabinet Member for Children's Services to enter into contracts for the delivery of the next Phase of the Building Schools for the Future programme subject to confirmation of funding from Partnerships for Schools and affordability.

I ask that the Cabinet and Leader, after consideration of the officer's report, note and approve the recommendations below.

### **RECOMMENDATIONS**

#### **Recommendations for the Cabinet**

1. Cabinet note that Phase 2 of Southwark's SSF programme has reached financial close within the affordability parameters previously approved by Cabinet (15 June 2010).
2. Cabinet note the outcome of the BSF Legacy Review and the current status of the BSF projects that were subject to that review.

3. Cabinet note the status of the New School Rotherhithe project and that a further report will be brought to Cabinet in relation to proposals for the delivery of new places in Rotherhithe and the financial implications thereof.
4. That Cabinet note that the SSF Project Director will continue to work with Children's Services, Finance and Resources, the schools, governing bodies & diocesan authorities to identify other budgets in order to minimise the necessary financial contribution from the council, in accordance with the Executive decision May 2 2007.

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

5. That the Leader delegates authority to the Cabinet Member for Children's Services in consultation with the Strategic Director of Children's Services to approve contract award for the contracts set out in Table 2, subject to:
  - confirmation of funding from Partnerships for Schools;
  - the council's financial contribution being within the parameters set out in Table 4.
6. That the Leader delegates authority to the Cabinet Member for Children's Services in consultation with the Strategic Director of Children's Services to enter into the development agreements with the school counterparties set out in Table 3.

### **BACKGROUND INFORMATION**

7. On 2 May 2007, Southwark 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.
8. On 28 November 2006, Southwark Executive made available £20m in Southwark's capital programme for 2007 to 2016 for Southwark Schools for the Future.
9. In May 2009 Southwark entered into a Strategic Partnering Agreement with 4 Futures to deliver the Building Schools for the Future (BSF) programme.
10. The BSF programme was to be procured in three phases. The £179m funding allocation is based at 1 Quarter 2008 and excludes VAT. It is subject to inflation and deflation over the life of the programme and to formal approval by PfS ahead of project development and financial close of individual schemes.

### **Phase 1**

11. Phase 1 projects are Tuke Special School and St Michael's Catholic College. Tuke School was a design and build project and opened in September 2010. St Michael's Catholic College is a PFI project and opened in January 2011. Works at the site are ongoing as the second Phase of demolition and landscaping is due to complete in August 2011.
12. Both schools are now receiving facilities management and ICT services through 4 Futures.

## **Phase 2**

13. Phase 2 projects (St Thomas the Apostle College, Sacred Heart and New School Aylesbury and Spa) reached financial close on August 17 2010 and have started on site.
14. The Spa and New School Aylesbury design & build contracts were fully funded by the BSF capital grant allocation and the PFI schemes at St Thomas the Apostle College and Sacred Heart were fully funded through agreed grant and school contributions.
15. An allocation has been made within the SSF Contingency against ongoing risks through the construction period.

## **St Michaels and All Angels**

16. St Michael and All Angels (SMAAA) and the co-located Highshore project did not reach financial close in August 2010 as anticipated. This was as a result of concerns over the viability of the proposed expansion of SMAAA considering evidence of falling rolls. A reduction in the size of the proposed school and alternative sponsorship arrangements have now been agreed between the Academy and the Department for Education and this project is now progressing in parallel with the Phase 3 projects.
17. This project is now to be redeveloped in line with the new sponsor's requirements and the reduced pupil cohort. There are costs arising as a result of the design works relating to the original design that was developed to planning submission. These are to be met from within the budget allocated to the project. Some allowance against these costs has also been made from within the SSF contingency.
18. The implications of the closure of SMAAA alongside its reopening with a reduced cohort have been factored into Pupil Place Planning.

## **BSF Legacy Review**

19. The scope and funding for Southwark's Phase 3 programme was agreed by Executive in March 2010. The Stage 0 submission for Phase 3 schools was submitted to Partnerships for Schools in March 2010 for approval of the detailed programme and confirmation of Southwark's funding. New project request letters were issued in September 2010 to allow project development to progress for Notre Dame, St Saviour's and St Olave's, Bredinghurst and KS3 SILS at Highshore with a view to the first of the Phase 3 projects starting on site in summer 2011.
20. In October 2010 Southwark was advised that our BSF programme would be subject to review to ensure that our proposals still represented value for money.
21. Southwark was formally advised of a methodology whereby the Southwark would be required to conduct a high level review of each project and identify options that would reduce project costs. The methodology required that PfS would conduct their own analysis of these options and then a period of consultation would take place with Southwark to enable the assessment of the

deliverability of these options. Following this part of the process PfS would confirm their revised funding for individual projects.

22. Southwark was proactively engaged in this process and, following a comprehensive review, submitted a detailed document to Partnerships for Schools in line with the deadline given of 26 November 2010.
23. Ahead of this submission the Department for Education advised that following consideration of boroughwide Pupil Place Planning data that the Authority was required to submit to Partnerships for Schools in the May 2010, Southwark's proposals for a New School in Rotherhithe would no longer be funded by the government through Building Schools for the Future. The Department for Education wrote to the council stating that: "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".
24. Representations had been made to the Department and PfS in regard to the local demand for secondary places. This case was only partially accepted by the Department who advised that a revised funding allocation would be made to enable the delivery of two additional forms of entry of secondary places serving Rotherhithe.
25. In March 2011 Partnerships for Schools confirmed the government savings that would be sought from our BSF funding allocation (savings for St Michael's and All Angel's were confirmed in December 2010). The savings advised to date are detailed in Table 1.

**Table 1: Target savings advised by Partnerships for Schools**

School Name	Saving £	Revised Budget	% Reduction
St Michael's & All Angels/Highshore	6,507,717	£31.7m	17%
KS3 Southwark Inclusive Learning Service	36,540	£4.2m	<1%
Notre Dame	52,429	£7.9m	<1%
Bredinghurst	86,520	£10.2m	<1%
St Saviours and St Olaves	81,267	£8.9m	<1%
KS4 Southwark Inclusive Learning Service	To be confirmed	To be confirmed	N/A
New School Rotherhithe	To be confirmed	To be confirmed	N/A

26. It is considered the required deliverables for these projects can be delivered from within the reduced grant funding. For Notre Dame, Bredinghurst, St Saviour's and St Olaves and KS3 SILS this funding will be supplemented through the allocation from within the SSF Capital Contingency approved by Executive in March 2010. A further contingency allocation was made by Executive against Notre Dame and St Saviours and St Olaves in consideration of VAT liabilities arising as a result of their voluntary-aided status and the refurbishment nature of the projects.
27. The larger reduction in funding associated with SMAAA/Highshore was as a result of the smaller school that is to be delivered (intake reduces from 6FE at OBC to a proposed 4FE now) and also a better value standardised modular approach to construction. Delivery within this revised budget is challenging, in particular as a result of the decant arrangements required for the existing schools.

28. Phase 3 Schools are anticipated to reach financial close in two Phases. Phase 3a (Notre Dame, St Saviour's and St Olave's and Breedinghurst) is anticipated to reach close in July 2011. Phase 3b (St Michael's and All Angel's Academy/Highshore and Southwark Inclusive Learning Services 3 (SILS 3)) is anticipated to reach close in the Autumn as a result of the issues arising in relation to St Michael's and All Angel's Academy outlined above. Although design and contract development is further advanced in relation to SILS 3 this contract is to be entered into at the same time as SMAAA/Highshore as it is dependent on the vacation of the Highshore buildings.
29. Some works will be required during the summer holiday periods agreement for which will need to be entered into in advance of financial close at St Saviour's and St Olave's, Notre Dame and St Michael's and All Angel's in order that construction sites are established and decant arrangements are in place ahead of the start of the autumn term. Authority to enter into these Advance Works Agreements has previously been delegated to the Head of Property.
30. ICT funding was confirmed as unchanged with the full allocation still available. The scope of the ICT investment in the remaining schools is to be reduced as a result of the financial implications of the supported borrowing nature of a proportion of the ICT funding. The scope is to be reduced with a view to reducing the overall funding required in order that supported borrowing is not called upon. These scope reductions will be made in agreement with the affected schools.

#### **New School Rotherhithe**

31. In April 2011 Southwark was invited by PfS to submit revised and current Pupil Place Planning data. This submission was made on the 18 April 2011.
32. Pupil Place Planning indicates that, compensating for the affect of the closure of SMAAA and the impact that this has on place availability in the short term, new Year 7 places are required boroughwide from September 2016, with 5 FE required by 2019/20. Due to existing local factors and ongoing regeneration it is considered that these new places should be located in Rotherhithe. The identification of the location of a new school will remain part of the Area Action Plan.
33. On the 17 May 2011 Cabinet agreed a motion referred to it from Council Assembly of the 6 April 2011. This motion supported the Cabinet in calling for the government to confirm the funding available for a new school in SE16 and welcomed the Cabinet's wish to work with stakeholders to find a solution for the places needed in the area.
34. In May 2011, following a formal request for clarification in regard to available funding, Southwark was advised by the Department for Education that £19.6m provisionally remains within Southwark's BSF funding envelope, although not for the previous proposal for a new school. The DfE also advised that the actual funding that will be available will be subject to its consideration of Southwark's Pupil Place Planning. Officers have further been advised that ahead of any subsequent confirmation of available funding Partnerships for Schools will be required to confirm that any investment proposals respond appropriately to the accepted demand and demonstrate value for money.

35. The most appropriate approach to delivering additional places will depend on the number of places that the Department for Education accepts are required based on Southwark's updated pupil place planning data. A number of organisations have contacted the Authority expressing an interest in sponsoring a new school in Rotherhithe if it is progressed.
36. Any proposals in regard to progressing New School Rotherhithe will be developed alongside local stakeholders and will be reported to Cabinet ahead of any formal submission to PfS seeking approval of funding.

#### **Key Stage 4 Southwark Inclusive Learning Services**

37. In March 2010 the Executive approved a proposal to locate KS4 SILS in a refurbished element of Southwark College's Camberwell Site. The College now has alternative plans for the site and this proposal is no longer viable.
38. An alternative proposal for the re-provision of KS4 SILS will be brought to Cabinet following an options appraisal.

#### **Phase 3a Financial Close**

39. Approval is sought to delegate authority to the Cabinet Member for Children's Services to enter into the contracts and agreements outlined below. This delegation is required due to the short timescales from submission of costed proposals from 4 Futures, the review of Southwark's Final Business Case and confirmation of funding by Partnerships for Schools and the need to award the contract to minimise the value and period of any advance works necessary during the summer holiday period.
40. The contracts form a suite of inter-related agreements which are based on national standard form documentation. The contracts will be entered into concurrently, but have different initial terms and extensions. This documentation will be subject to detailed review by Southwark Legal Services, with advice from external legal advisors (Trowers and Hamblins).
41. In order to secure agreement by the school counterparties (governing bodies and diocese authority) to the financial contributions they will make towards the cost of the contracts, the Council will also enter into a series of development agreements (see table 3). These agreements:
  - Allow the construction to take place on each school site (which are not in Council ownership);
  - Allow ICT equipment and a Facilities Management service to be delivered at the school sites;
  - Give warranties to the Council for property and human resources information that has been provided by the school; and
  - Secure agreement by the governing bodies to the financial contributions they will make towards the costs in the contracts.

42. Table 2 summarises the contracts that are to be entered into at Financial Close of Phase 3a.

**Table 2: Contracts to be signed simultaneously at Phase 3a contract award**

Contract	Contract purpose	Parties	Initial term	Extension
Design & Build Contract – Notre Dame	Detailed design work & build of Notre Dame	London Borough of Southwark and 4 Futures Limited	No term – dependent on completion of build and defects period (approx 3 years)	N/A
Design & Build Contract – St Saviour's and St Olave's	Detailed design work & build of St Saviour's and St Olave's	London Borough of Southwark and 4 Futures Limited	No term – dependent on completion of build and defects period (approx 3 years)	N/A
Design & Build Contract – Breedinghurst	Detailed design work & build of Breedinghurst	London Borough of Southwark and 4 Futures Limited	No term – dependent on completion of build and defects period	
Phase 3 ICT Contract	ICT services including infrastructure work where applicable for Notre Dame, St Saviour's and St Olave's, Breedinghurst and Charter Schools.	London Borough of Southwark and 4 Futures Limited	5 years	5 years
Deeds of variation relating to the Facilities Management Agreement	To join the umbrella contract for Facilities Management Services for the schools.	London Borough of Southwark and 4 Futures Limited	10 years	5+5+5 years
Associated documents and agreements	Other linked and associated documents and agreements relating to the headline contracts, e.g. collateral warranties	Various parties	Various	Various

43. Table 3 summarises the governing body agreements to be entered into with each school:

**Table 3: Governing Body/Development Agreements**

<b>Governing body agreement and counterparties</b>		
<b>Agreement</b>	<b>School counterparties</b>	<b>Agreement purpose</b>
Governing Body Agreement – Development Agreement	Governing Body of each school and Diocesan Authority and Archbishop of Southwark where applicable	Agreement covering the construction period, given school is in possession of the site
Governing Body Agreement – FM services agreements	Governing Body of each non-PFI school and Diocesan Authority and Archbishop of Southwark where applicable	Agreement governing the FM services for each school taking the FM service
Governing Body Agreement – ICT services agreements	Governing Body of each non-PFI school and Diocesan Authority and Archbishop of Southwark where applicable	Agreement governing the ICT services for the phase 3a schools.
Associated documents and agreements	Other linked and associated documents and agreements relating to the headline contracts	Various

### **Financial implications**

44. The funding associated with these contracts and agreements will come from:
- PfS – who will confirm their funding commitment following approval of an FBC, to be submitted to them and approved by both themselves and the Department for Education immediately prior to contract award;
  - Southwark – a capital allocation relating to these Phase 3 schools as per the Executive decision of March 2010 alongside a further allocation from within the SSF Capital Contingency to offset VAT liabilities arising against projects at Voluntary Aided schools; and
  - Schools – who will commit to revenue contributions in back-to-back governing body agreements to be signed prior to contract award.
45. For Design & Build community schools a commitment was made by Executive in May 2007 to meet an affordability gap for lifecycle and FM services across all D&B community schools in the programme estimated at £200,000 pa. In Phase 1 a subsidy for Tuke School of £40,000 in the first year of operation and reducing to £10,000 was committed to by the Council. No such subsidy was required at Phase 2.
46. There is not envisaged to be any call on this commitment for lifecycle and FM services for Phase 3a. The liabilities arising from these contracts will be funded by the schools and this arrangement will be formalised between the Council and the schools in the governing body agreements.
47. For community schools the contribution to meeting these costs is expressed as a percentage of School Budget Share, which is roll driven funding. The Council bears a risk for community schools that should rolls drop and funding decline, it will cover the amount by which the FM and lifecycle costs exceed the school contribution agreed. Bredinghurst is the only community school in Phase 3a. For Academies and Voluntary Aided schools the Council will require an absolute commitment to meet the cost of the FM service and the council does not bear



the risk associated with falling rolls.

48. The overall anticipated contribution to Phase 3a by the Council is expressed in Table 4:

**Table 4: Anticipated Council Investment in BSF Phase 3a**

	Amount
Capital investment in construction	£3.6m
Revenue investment in ongoing services	Nil

49. The above capital liabilities are to be met from an allocation within the SSF Capital Contingency.
50. It is further recommended that the Cabinet note that the SSF Project Director will continue to work with Partnerships for Schools, Children's Services, Finance and Resources, the schools, governing bodies & diocesan authorities to identify other budgets in order to minimise the necessary financial contribution from the council, in accordance with the Executive decision May 2 2007.

#### **Financial Status of BSF Programme**

51. As part of a review of capital allocations that will form part of the Capital Refresh the SSF Capital Contingency has been reduced by £2.5m with this funding returned to the general capital pool.
52. Capital commitments and identified liabilities relating to Phase 1, 2, 3a and 3b of the programme can currently be met from within BSF grant funding supplemented from within the SSF Capital Contingency. Further allowances have been made within this contingency for identified risks. Southwark's own funding to be made available to support unconfirmed projects will need to be considered in light of these commitments, risks and other priorities.
53. A full capital position statement will be reported to Cabinet to inform decision making in regard to options for the delivery of unconfirmed projects.
54. Ongoing revenue liabilities remain within the project office budgets for the delivery of the programme agreed in February 2009.

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

##### **Finance Director (CS0149)**

55. The phase 2 schools reached financial close on 17 August 2010 within the financial parameters agreed by Cabinet on 15 June 2010.
56. The funding for the phase 3a schools construction and refurbishment works contracts is due to be met from BSF grants supplemented by £3.6m from the SSF capital contingency. It is expected that the ICT contract will be fully funded from BSF grant. FM contracts for the schools will be funded from contributions from the schools at nil cost to the council at financial close. The council will retain an ongoing financial risk to fund any shortfall due to a reduction in School Budget Share at Bredinghurst.

57. The SSF capital contingency has been reviewed for the size and appropriateness of amounts spent, committed, earmarked and allowed for with respect to retained council risks in delivering all three phases of the programme. It is considered that the programme can be delivered with a £2.5m reduction in the contingency.
58. Value for money continues to be a priority and was assessed at financial close of phase 2 and at stage 0 and stage 1 of phase 3. Revised protocols are being developed for the final phase of SSF, operational schools and the use of 4 Futures to deliver other capital projects. These revised protocols take into account the market changes in the construction industry and continuous improvements on previous phases.

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

59. This report is an update report and a report seeking the approval of the Leader to delegate the approval of the SSF Phase 3a contracts to the Cabinet Member for Children's Services following consultation with the Strategic Director for Children's Services.
60. Pursuant to section 14 of the Local Government Act 2000 (as amended) the Leader may discharge this function and may delegate this function to a member of the cabinet. This requires a decision from the leader, prior to the decision in this report being made and in accordance with Article 6 of the constitution circulated to all members.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
BSF Outline Business Case	160 Tooley Street	Sam Fowler, SSF Project Director
Executive Report - Southwark Schools for the Future: BSF Phase 3 - March 2010	160 Tooley Street	Sam Fowler, SSF Project Director

### **APPENDICES**

<b>No.</b>	<b>Title</b>
None	

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Catherine McDonald, Children's Services	
<b>Lead Officer</b>	Romi Bowen, Strategic Director of Children's Services	
<b>Report Author</b>	Sam Fowler – SSF Project Director	
<b>Version</b>	Final	
<b>Dated</b>	7 June 2011	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Children's Services	Yes	Yes
Strategic Director for Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
Head of Procurement	No	No
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	10 June 2011	

<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Teenage Pregnancy Commission outcomes and recommendations	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Catherine McDonald, Children's Services	

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

Establishing a Teenage Pregnancy Commission is a key priority of this council - driven by Southwark's very high levels of teenage pregnancy, and the impact of teenage pregnancy on young people's life chances.

I launched the Commission in November 2010. It brought together members from across Southwark's communities to recommend actions which would reduce local conception rates at an accelerated rate by 2014. The Commission presented its report to me on 4 May 2011.

When I set up the Commission I asked that its work should be focussed over a matter of months not years, giving the council recommendations in Spring this year so that we can start to make a difference quickly. I also asked that it should consider young people's choices, behaviours and aspirations, as well as their access to and knowledge of contraception. And I asked that Commission challenge the council to do things differently, focusing on what works, and, particularly in these cash constrained times, recommend actions that will have greatest impact. I am delighted that the Commission delivered on all this - and more.

Esy Oluwafemi, the Commission's independent Chair has done a wonderful job in driving the Commission forward, producing a report that is informed by a cross-section of Southwark's community. Tremendous thanks to Esy - and to everyone who took part in the Commission.

The Commission has succeeded in bringing our communities together to tackle this vital barrier to young people's wellbeing, and provides the basis on which to create a legacy to sustain the work of the council and the community in improving the life chances of our young people. I recommend the report and its recommendations to the cabinet.

## **RECOMMENDATIONS**

1. That cabinet notes the report of the Teenage Pregnancy Commission and its recommendations, as described in Appendix 1, and considers opportunities to actively support the implementation of the recommendations across all cabinet portfolios.
2. That the cabinet agrees responsibility for developing an implementation plan and

accompanying governance structures for the commission's recommendations rests with the Strategic Director for Children's Services, in consultation with the Cabinet Member for Children's Services.

3. That the cabinet notes the need for any future communications campaign to be balanced in its messages of delaying sex and pregnancy, and promoting the safe use of contraception, to ensure that young people are encouraged and supported to make positive choices.

## **BACKGROUND INFORMATION**

4. Reducing teenage pregnancy rates is a key priority for the council, as articulated in the borough's Children and Young People's Plan. Much has been achieved locally, with the rate of teenage conceptions falling over 25% in the decade since the 1998 baseline. Although the most recent results, for 2009, show a further 6.7% reduction on 2008 rates, the borough's rate remains one of the highest in the UK. We have remained ambitious to further improve our rate of reduction, and recognise that to do so, we need to build capacity within our community to tackle this barrier to the wellbeing of our young people.
5. A Teenage Pregnancy Commission was established as set out in the June 2010 cabinet paper 'A Fairer Future for all in Southwark'. Esy Oluwafemi, of local teenage parent charity Wisegem, was appointed as the independent chair of the Commission, which brought together members of Southwark's diverse communities, including young people, parents, representatives from community, voluntary and faith groups, health and education practitioners and professionals working with young people.
6. The Commission was tasked with presenting the cabinet member with recommended actions to reduce local teenage conceptions at an accelerated rate by 2014, including how to:
  - Better target services at those most in need
  - Overcome the issues and obstacles facing our communities and schools
  - Meaningfully engage parents, carers and young people
  - Develop a consistent communications message
  - Establish a legacy that will sustain the work in Southwark
7. The Commission was formally convened in November 2010, and met at least monthly until March 2011, through which it reviewed current council and partnership plans and strategies, and local and national best practice evidence as well as hearing evidence from experts in the field. It also conducted extensive consultation which gathered the views, experiences and ideas of those living and working in the borough. These included more than a dozen focus groups with a wide selection of young people, parents, faith and community groups, hospital staff, schools and youth professionals as well as local community councils.
8. The Commission presented its report and recommended actions to the cabinet member on 4 May 2011, and these are attached as Appendix 1.

## KEY ISSUES FOR CONSIDERATION

### Policy implications

9. The Commission's recommendations build on existing council and partnership policies and strategies, including the 2010-2013 Children and Young People's Plan. This set out partners' commitment to ensure that all young people and their families have access to good-quality sexual health and relationship information, advice and guidance, and that young people have increased access to contraception as and when they need it. It also committed partners to provide targeted information and support on a range of services including sexual health, educational and self-development opportunities to at-risk groups.
10. The Commission's findings and recommendations explored four themes, as follows:

1. *What are the reasons behind our high teenage conception rates?*

As found nationally, the risk factors leading to teenage conception are complex. Locally, the high rate of terminations, and variable quality of education about sex and contraception were highlighted as key factors in our local high rates. The Commission recommends an increased focus on identifying and supporting vulnerable young people through consistent, sustained support, increasing awareness of and education about all forms of contraception, and raising young people's aspirations and self-esteem.

2. *What role can parents and carers play in addressing sexual health and teenage conceptions?*

Parents and carers are universally seen as one of the biggest determinants in a young person's choices around sex and relationships, yet parents often feel unsure about or disempowered in engaging in this aspect of their child's wellbeing. They called for support in talking to their children about the issue and for greater dialogue with schools about their child's education on this issue. The Commission recommends developing training and support programmes for parents and carers as well as more widely promoting training for all those working with young people and their parents.

3. *What influence do values, faith and culture have on teenage conception rates?*

All contributors to the Commission's investigations recognised the highly positive influence values, faith and culture have on a young person's choices. There was recognition that there is much expertise and passion for supporting young people in our communities and that this should be the basis on which to build future activity. The Commission also highlighted the varying quality of sex and relationship education in schools and the community, and that this is key to raising young people's knowledge and self-esteem. Its recommendations include developing opportunities for mentoring vulnerable young people, as well as broadening sex and relationship education to include emotions, self-esteem and behaviour. This should be promoted across schools and youth settings, as well as through the borough's communities, so as to engage and educate young people and their parents.

4. *How to challenge the myths surrounding sex, relationships and teenage parents?*

Young people and their parents hear many different and inconsistent messages about sex, relationships and teenage pregnancy, and this fosters confusion and myths. The Commission recommends taking a bolder, more honest approach to communications in this area, developing a message that is based on choice, respect and being safe, and which focuses on the consequences of teenage pregnancy and encourages young people to delay pregnancy until the 'right' time. It hopes that this message will be promoted widely across the borough.

11. The Commission's recommendations represent the consensus voice of those living and working with young people in the borough. This model of service co-design with our communities represents a new way of working around the issue of teenage pregnancy, and provides a solid foundation on which to build further collaboration in terms of implementing the recommendations and realigning service provision around them.
12. The Teenage Pregnancy Strategic Management Group, a joint management group of council and health officers, is currently charged with strategic oversight of provision for young people's sexual health and teenage pregnancy prevention and support services. It is currently developing new governance arrangements to provide opportunities for our communities to remain involved in the design and delivery of services, and to ensure that these arrangements are aligned to the council's democratic decision-making arrangements, including the refreshed arrangements for community councils.
13. The refreshed group, with anticipated strong involvement of members, professionals, community champions, young people and parents, would be charged with leadership and accountability for implementing the commission's recommendations, as approved by the cabinet. The group will report to the Children and Families Trust, which is chaired by the Cabinet Member for Children's Services.
14. The implementation plan will include a prioritisation of the recommendations, including quick wins and longer-term goals. It is anticipated that an initial plan will be drawn up by mid-July.

**Community impact statement**

15. Teenage pregnancy is an issue that can affect all sections of the community, and equality and diversity issues were central to the development of the Teenage Pregnancy Commission, and underpin its recommendations. The commission itself was representative of our communities, including members across age, ethnicity, culture and gender. A full community impact statement will be developed alongside implementation plans, to ensure that no section of our community is disadvantaged by the implementation of the recommendations. In particular, preliminary data suggests that some ethnic and cultural groups are more affected by the issue than others, and this aspect will be explored fully in developing plans to implement the commission's recommendations.

### **Resource implications**

16. The council's budget contains provision to deliver services to improve young people's sexual health and reduce teenage pregnancy. For 2011/12, provision has been made within the early intervention grant, amounting to £150,000. The implementation plans will be drawn up within this funding envelope, and efforts will be made through the Teenage Pregnancy Strategic Management Group and other partnership bodies to bring partners' resources to implementing the recommendations. Given the tough financial climate, it is also all the more imperative to ensure that the actions in the implementation plan are based on 'what works' and have the maximum impact.

### **Consultation**

17. As detailed in paragraph 6, the commission consulted extensively across our communities. Its membership itself was also representative of the borough's communities and provided the opportunity for members of our community to directly contribute to

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

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

18. Cabinet is advised to note the potential equality implications as set out in the report and in particular to note the analysis of the implications when required to consider the implementation plan.
19. The general duty under s.17 of the Children Act 1989 requires the council to provide services to support the welfare of children in need within its area; a child in need includes a child under 18 whose health and physical, intellectual, social, behavioural development is likely to be impaired without such support.
20. Under Part 3 of the Children Act 1989, the council has statutory safeguarding responsibilities towards children who are in their care and a duty to promote the welfare of those who have been in care.
21. For those young people who do not fall within the auspices of the Children Act 1989 support due to age, cabinet is also advised of the wellbeing power contained in s.2 Local Government Act 2000 which enables the council to act to promote and improve the social and economic well being of the area.

#### **Finance Director CS/0157/FH**

22. The financial implications are as set out in the body of the report .



**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Children and Young People's Plan 2010-2013	Children's Services 160 Tooley Street SE1 <a href="http://www.southwark.gov.uk/info/200165/southwarks_children_and_families_trust/1484/children_and_young_peoples_plan">http://www.southwark.gov.uk/info/200165/southwarks_children_and_families_trust/1484/children_and_young_peoples_plan</a>	Fiona Russell 020 7525 3923
Fairer Future for All in Southwark (Cabinet report June 2010)	Constitutional Team 160 Tooley Street SE1 <a href="http://moderngov.southwarksites.com/mgConvert2PDF.aspx?ID=10200">http://moderngov.southwarksites.com/mgConvert2PDF.aspx?ID=10200</a>	Everton Roberts / Paula Thornton 020 7525 4395

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Southwark Teenage Pregnancy Commission report and recommendations

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Catherine McDonald, Children's Services	
<b>Lead Officer</b>	Romi Bowen, Strategic Director of Children's Services	
<b>Report Author</b>	Fiona Russell, Principal Strategy Officer, Children's Services	
<b>Version</b>	Final	
<b>Dated</b>	8 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	10 June 2011	

# Southwark's teenage pregnancy commission

## **Report and recommendations**

**May 2011**

**For further information, contact:**

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## Introduction

In June 2010, Southwark Council's administration agreed its vision for the borough – 'A fairer future for all in Southwark'. One of its commitments was to establish a Commission within six months that included young people, community, faith, education and health representatives to reduce teenage pregnancy by 2014.

The Commission would seek to build on achievements to date in reducing the local teenage conception rate, which has fallen over 25% in the decade since 1998. This has been achieved through the involvement of young people, professionals, headteachers, the community and the National Support Team, as well as a high-profile stakeholder event in 2009.

The Commission was set up by Catherine McDonald, Cabinet Member for Children's Services, and tasked with presenting her with recommended actions to reduce local teenage conceptions at an accelerated rate by 2014, including how to:

- Better target services at those most in need
- Overcome the issues and obstacles facing our communities and schools
- Meaningfully engage parents, carers and young people
- Develop a consistent communications message
- Establish a legacy that will sustain the work in Southwark

Catherine appointed Esy Oluwafemi, of local teenage parent charity Wisegem, as the independent chair. The Commission brought together members of Southwark's diverse communities, including young people, parents, representatives from community, voluntary and faith groups, health and education practitioners and professionals working with young people.

Formally convened in November 2010, the Commission chose to investigate the following four themes:

- What are the reasons behind our high teenage conception rates?
- What role can parents and carers play in addressing sexual health and teenage conceptions?
- What influence do values, faith and culture have on teenage conception rates?
- How to challenge the myths surrounding sex, relationships and teenage parents?

The Commission met at least monthly from November 2010 to March 2011, through which it reviewed current council and partnership plans and strategies, and local and national best practice evidence as well as hearing evidence from experts in the field. It also conducted extensive consultation which gathered the views, experiences and ideas of those living and working in the borough. These included more than a dozen focus groups with a wide selection of young people, parents, faith and community groups, hospital staff, schools and youth professionals as well as local community councils. The Commission's findings are summarised in this report, along with its final recommendations. Its aims and objectives, and membership and those who contributed to its investigations are detailed in the appendices.

## Executive summary

A review of available conception and termination data highlighted that age, ethnicity and location of residence have a significant impact on the risk of conception under the age of 20, as does the likelihood of a previous termination. Common risk factors include being in care, a care leaver, in the youth offending service, or not in education, employment or training, or having a learning difficulty or disability. Many teenage parents spoke of the desire to be loved unconditionally, and of the struggles, transformation and achievements parenthood brings. Some professionals also highlighted the influences of the 'social' status of having a baby, and the acceptability within the family of having a child while a teenager. Although there is much excellent support provided to teenage parents in the borough, and in preventing teenage pregnancies, the Commission recognises that pathways to support and interventions can be fragmented.

Young people overwhelmingly say they want 'real', honest information, advice and guidance, which supports them to make positive choices around sex and relationship. There was strong support from young people and adults alike that activities and support to raise a young person's aspirations should be linked to the consequences of teenage pregnancy. Many participants in the Commission's investigations highlighted how many young people do not see unprotected sex or pregnancy as a 'problem', which emphasises how education must focus on helping them understand the consequences of their actions and choosing positive alternatives.

Young people generally had good knowledge about sexual health services in the borough, although knowledge about long-acting reversible contraception was generally very low. There was good support for ensuring that all professionals working with young people are equipped with the skills and knowledge to provide information and access to all forms of contraception. The Commission heard evidence that the emerging 'health huts' model in schools provides good opportunities to educate and engage young people, improve access to contraception and other health services and promote healthy lifestyle messages.

There is a need for strong outreach and a network of support to ensure that vulnerable young people are reached, engaged and supported to make positive choices. The Commission heard how an increased focus on particular groups, such as young men or young people connected to gang activity, could bring increased impact on local conception rates. It believes strongly that interventions need to explain the 'why' as well as the 'how' and provide intensive, consistent, follow-up support to develop strong relationships with vulnerable young people. This should also be underpinned by effective targeted work at a universal level to engage, educate and mentor vulnerable young people to make positive choices.

Schools are a central channel to reach young people and their parents, although the Commission heard of variations in the quality and coverage of sex and relationship education in schools. The Commission strongly believes that this education is most effective when set in a wider programme around self-worth, behaviour and consequences, which is supported across the curriculum and key stages. There was also overwhelming recognition that the most effective support should be delivered through a package of interventions that are tailored to a school's or locality's needs. Youth settings provide another important opportunity to educate and advise young people, yet the sex and relationship education in youth settings is patchy in terms of coverage and quality.

The quality of training given to professionals working with young people was also highlighted as an issue, with coverage and quality varying across the borough and groups. The Commission believes strongly that there is a need to raise awareness levels across the community, and that efforts should be made to promote training opportunities to everyone who comes into contact with children, young people and their parents.

## Southwark Teenage Pregnancy Commission

The influence of parents was universally cited as one of the biggest determinants in a young person's choices around sex and relationships, yet parents often felt that services do not engage them in this aspect of their child's education. Some also feel that their value and input in this area has been marginalised by society. They repeatedly called for support in talking to their children, especially around practical issues such as pornography, and supported the inclusion of this issue in parenting programmes as well as peer educator models. All participants to the Commission's investigations called for greater dialogue between schools and parents around the issue, with many urging greater use of link staff, coffee mornings, parents' meetings and opportunities to discuss SRE content before the class takes place. Community and faith groups also represent a key channel to reach parents outside the school system and also to reinforce messages, and should be engaged in a borough-wide education programme.

All contributors to the Commission's investigations recognised the hugely positive influence values, faith and culture have on a young person's choices. Some parents felt disempowered by national and local policy to instil their own values in their children, and also recognised that in some communities, teenage sex and pregnancy are taboo subjects. What was also clear, however, was that there is much energy, dedication and passion in our communities to support young people to make positive choices, and that this provides common ground on which to build future activity. All respondents recognised that there is a need for greater dialogue across communities, but also that there is a strong willingness within our communities to reach out and engage with others in order to support our young people. Many respondents recognised the value of working in partnership, and that there is much expertise and activity already in our communities on which to build stronger links and dialogue.

Young people, and their parents, hear many different and inconsistent messages about sex, relationships and teenage pregnancy. For the Commission's recommendations to be effective, there needs to be a concerted effort to develop a message that is consistent, honest and real, and which focuses on delaying sex and pregnancy, and the consequences of teenage pregnancy. There was strong support that the message should encompass the wider issues of relationships, aspirations, and on managing a young person's emotions and behaviour. The Commission believes that any communications need to use sensitively the 'negatives positively', utilising local conception information in order to engage and motivate local communities. There was also support for a widespread communications campaign which drums in the message to young people and their parents.

## Findings

### What are the reasons behind our high teenage conception rates?

The Commission reviewed evidence concerning the high rates of teenage conceptions in the borough. It noted that there are noticeable 'hotspot' areas for teenage conceptions, with Peckham, Camberwell and the border of Rotherhithe and Bermondsey community council areas having the highest under-20 terminations, using 2005-09 data. In keeping with the distribution of ethnicity across the borough, the conception hotspots for black African are Peckham, Camberwell and Walworth community council areas; for black Caribbean they are Nunhead and Peckham Rye, and Camberwell community council areas; and for white British the border between Rotherhithe and Bermondsey community councils. For the same period, 2005-09, the hotspot areas for terminations for under 20 year olds was Peckham for black African, Nunhead and Peckham Rye for black Caribbean, and Rotherhithe and Bermondsey for white British.

Although the majority of births and terminations occur among 18 or 19 year olds, 3.5% of births in 2006-09 and 7.4% of terminations in 2005-09 were to under 16s. The Commission noted that there had been a noticeable fall in termination rates for 17, 18 and 19 year olds for 2005-09, but a much less significant fall for those under 17.

The Commission also noted very high local rates of repeat termination, highlighting that 16.2% of women under 20 who presented for a termination had had a previous termination. Although it is expected to see the risk of repeat terminations increase with age, the Commission noted the high levels at a young age – 6.6% of women under 16, 6.2% of 16 year olds and 13.1% of 17 year olds who presented for a termination had had a previous termination. As a proportion of that ethnic group presenting for termination, Asian women were 2.6 times more likely to have a repeat termination than women from white ethnic backgrounds, and women from black ethnic groups were 1.29 times more likely to have had a repeat termination compared to women from white ethnic groups.

In keeping with national evidence, locally women who had had a repeat termination were more likely not to be using any contraception than women who had only had one termination. In addition, of those using contraception, condoms were the most popular method, and women who had a repeat termination were more likely to use condoms and less likely to use the hormonal contraceptive pill than women who had not had a previous termination.

Using the above and other evidence, the Commission concludes that age, ethnicity and location of residence in the borough has a significant impact on the risk of conception under the age of 20, as does the likelihood of a previous termination, and these risk factors should be further explored and applied in the provision of interventions and support.

### Risk factors

The Commission was also keen to understand whether factors, such as those described in the Young London Matters' teenage pregnancy risk index, created an impact locally on the risk of teenage conception. Nationally, it is clearly evidenced that the risk factors that can lead to teenage conceptions are complex, and include low confidence and aspirations, disengagement from school or education, poor mental and emotional wellbeing, material deprivation and poor use of contraception as well as the influence of parents, peers, ethnicity and culture. Nationally, almost 40% of teenage mothers have no qualifications, 22% are more likely to be living in poverty at 30, 20% are more likely to have no qualifications at age 30, and young fathers are twice as likely to be unemployed at age 30 – even after taking account of deprivation.

Unfortunately it has not been possible to understand the impact of these factors against local conception, termination and birth data due to difficulties in collecting and sharing data

## Southwark Teenage Pregnancy Commission

between public bodies. The Commission understands these significant barriers and the steps currently being taken to overcome them. It fully supports achieving data sharing agreements, and urges further work to overcome difficulties collecting relevant data, such as raising awareness with termination providers about why it is important to collect and share information.

Anecdotally, however, the Commission heard of considerable evidence that many of the young people who make up the 'teenage pregnancy cohort' – those who conceive under the age of 20 – are known to services, such as being in care, a care leaver, not in education, employment or training (NEET) or, in the youth offending service, or having a learning difficulty and/or disability. In taking evidence from young parents, the Commission heard examples of chaotic home lives and disagreements or breakdowns at home, and the influence of peers in having sex. Many spoke of being scared but also of the happiness at the idea of being a parent, having someone to love them and to love. Many talked of being transformed by parenthood, of the many struggles but also of the achievements in being a good parent and striving to achieve more, such as going back into education.

Professionals, too, spoke of these common themes. The social 'status' of having a baby was frequently cited as an underlying causal factor, as was the influence within the family of the acceptability of having a child while a teenager. Of the most vulnerable young women in Southwark who receive support from the Family Nurse Partnership, significant proportions cited domestic abuse in their own childhood, hostile or neglectful relationships with their mother or father, bullying at school, homelessness and a history of domestic abuse, self-harm or sexual abuse. Professionals also reinforced the view that some vulnerable young people struggle to get the support they need – of sometimes 'falling' out of the system even though they were known to services, or taking convoluted routes to reach available support.

#### Universal provision: sex and relationship education

Young people overwhelmingly say they want information, advice and guidance from someone they trust and look up to, someone with whom they have a relationship – who this is can vary but common answers are teachers, youth workers, health workers/specialists and parents/family. They generally say that they want to speak to their parents about sex but get most of their information from their peers or media such as the internet and TV programmes. Programmes such as 'One Born Every Minute' or 'Embarrassing Bodies' were praised for their honest, real approach. Many felt that health professionals were better trained to give information and advice ('wouldn't be phased by our questions') and that some youth workers and teachers were too embarrassed to give quality advice.

They universally say that for the message to be effective it needs to be 'real' and 'intense' – a view supported by parents, community leaders and professionals. Many young people spoke about the importance of promoting the consequences of early unwanted pregnancy, such as the cost to finance, health and employment prospects. Many felt that talking to young parents could be effective in reinforcing these consequences, although it is vital that such peer educators are adequately trained so as to avoid the risk of reinforcing stereotypes about teenage parents. Many respondents wanted to see young fathers in a peer education role, as many felt that the focus was too often on young mothers.

Young people want support in making choices, rather than just having information thrown at them – and there was evidence to suggest that the latter approach did not help young people absorb the information, and often led to confusion. They overwhelmingly say they want their education to include advice about the pros and cons of sex and relationships, so that they have the knowledge and skills to navigate the situations that can lead to sexual activity.

Young people and adults alike all stress the importance of raising a young person's aspirations, and that this needs to be linked to the consequences of teenage pregnancy. Many young people do not see pregnancy as a 'problem' so education must focus on helping



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them understand the consequences of their actions and choosing positive alternatives; this is reinforced by the fact that the vast majority of young people know how to access contraception and sexual health services – the question is whether they consider it a priority.

Universal provision: access to contraception and sexual health services

Young people overwhelmingly told the Commission that they want easy access to contraception, and suggest locations should be well publicised. Anonymity was generally favoured, with ideas such as vending machines, texting or having a phone app to request contraception. Some young people expressed embarrassment at visiting a location to request contraception, and preferred the venue to be a 'service' such as youth provision, school or pharmacy rather than shops or other retail outlets.

There was good knowledge among the young people consulted through the Commission's investigations of what sexual health services are available in the borough, although a few reported that services were not approachable or welcoming. Indeed, this supports the view that the high rates of teenage conceptions locally are not due to a lack of access to, or knowledge about, sexual health services – more that many young people do not see safe sex or pregnancy as an issue.

In addition, young people's level of knowledge about long-acting reversible contraception (LARC) was generally found to be very low – and most young people who knew about it did so because a sister or friend was prescribed it, rather than being educated at school or in a youth or medical setting. Those young people who did know about it often reported it would not be a preferred option due to risks around putting on weight or other health concerns – issues that should be addressed in education and communications. Community services also requested greater dialogue with health services about the pros and cons of LARC, so that both services are working in partnership, delivering the same messages.

Many respondents want to see all professionals working with young people equipped to provide information and access to contraception, such as distributing condoms, and educating and signposting young people about all forms of contraception. The borough until recently operated a condom distribution scheme through non-medical settings such as youth clubs. There was support for continuing a scheme of this nature, or adopting the pan-London C-Card scheme. It was suggested that there should be strong links across the scheme to pharmacies and other sexual health providers so that young people are clear where they can get contraception, be it a health or non-health setting.

Evidence, however, also suggests that a focus on providing condoms only, and also without accompanying education and guidance, has limited impact as this contraception requires more discipline to be effective, and an opportunity is missed to change a young person's behaviour. The Commission strongly supports the promotion of LARC, and believes that young people should have equal access – and education about – all forms of contraception.

Respondents overwhelmingly agreed that health professionals should be more involved in universal sex and relationship education, using these as an opportunity to promote health messages and support efforts to raise young people's aspirations. It was agreed that this needs to happen earlier in a young person's life than when they access sexual health services. Health professional input in educating parents was also seen as vital.

The Commission heard evidence that the emerging model of 'health huts' in schools provides good opportunities to educate young people, promote healthy lifestyle messages, engage vulnerable young people and improve access to contraception and other health services. There is strong support for developing peer educator models aligned to health huts and other youth settings. Strong links with nearby sexual health clinics or GP practices as well as other support services for young people were also seen as vital to the success of the health huts. It

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was also suggested the borough's new community services provider as well as pharmacists should be approached about developing stronger links to and working through health huts.

Targeted provision: outreach activity, and mentoring and intensive intervention support

Contributors to the Commission stressed the need for strong outreach and a network of support to ensure that vulnerable young people are reached, engaged and supported to make positive choices. The Commission heard many passionate accounts of the need to target the 'right' students, and believes firmly that this must be underpinned by a sound understanding of which young people are at risk locally. It is clear that there are many good prevention and intervention programmes, yet the crucial success factor is that the right young people are able to access them – and evidence for this locally is patchy. The Commission heard evidence about other boroughs' use of the common assessment framework (CAF), such as one which conducted a CAF for all year 8 pupils. The Commission recognises the value in CAF and other standard assessment tools, such as the Young London Matters risk index, and heard suggestions about more greatly promoting the use of such tools or applying it across hotspot localities.

Commission members are very aware that outreach activity is central to reaching young people who are at greater risk of or causing unwanted pregnancy, and evidence suggests that greater targeting of resources on these vulnerable groups could have a greater impact on reducing conception rates locally. Young men were cited as a key group to target by many Commission members and contributors to the Commission's investigations. Many felt that the focus to date has been on young women, to the exclusion of young men. The borough also faces significant challenges in addressing the impact of gang behaviour, particularly around the strong link between sexual coercion, and gang intimidation and violence – and there were calls to work closely with the borough's street-based and community safety teams around this issue. Partnership working was also seen as essential to engaging young people who are excluded from mainstream school, particularly at key stage 4, or who drop out of education post-16. There was also much support for going 'to' identified groups of vulnerable young people – such as through street outreach and drop-in sessions where, for example, young men meet.

Professionals were very clear that consistency and continuity of support and education are vital to develop trust and relationships with young people, and so encourage less risky behaviour. The Commission heard strong evidence that interventions need to be available across the spectrum of need, varying from targeted mentoring or coaching opportunities at a universal level to more intensive, sustained interventions for more vulnerable young people.

It heard evidence from a range of stakeholders that the most effective preventative interventions for vulnerable young people are those that provide consistent, longer-term support. The Commission believes strongly that the most effective interventions are those where professionals work directly with young people over time, rather than simply signposting them to contraception and additional support – in effect 'taking the LARC to them' coupled with mentoring support. Interventions need to explain the 'why' as well as the 'how', and provide consistent, follow-up support to develop a strong relationship with vulnerable young people, reinforce the message and embed less risky behaviour – for example the type of support provided by the Family Nurse Partnership locally.

From its investigations, the Commission is also clear that pathways to intensive support can be fragmented, and some young people most in need of support do not always receive it in a timely and integrated fashion. It also heard, however, of many examples of dedicated professionals who work intensively and effectively with the borough's vulnerable young people, with much success. A key gap is ensuring those identified as at high risk are followed up, such as ensuring that young women who terminate are supported to access contraception and guidance. The Commission also recognises that some of the young people in the 'teenage pregnancy cohort' are among the most vulnerable young people in the

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borough, and that any intensive targeted approach should be integrated with other services supporting vulnerable young people.

Support at the universal level, such as education, peer mentors and other positive activities, should be provided by a range of professionals in health, school and youth settings. In common with national evidence, many professionals cited mentoring as highly effective in raising a young person's aspirations and self-worth, and helping them to make positive choices. The Commission noted that although many teenage parents are known to services, the remainder have had limited known contact with prevention services. Consequently, targeted work at a universal level, if underpinned by effective risk assessment, is vital to support a reduction in conception rates locally.

Young people, too, welcomed opportunities to be supported and mentored, and agreed that more vulnerable young people, such as those with low confidence or self-worth, would benefit greatly from mentoring schemes. They gave evidence that frequently such opportunities were available only in response to negative incidents at school. All agreed that schools were an ideal channel for providing this kind of support, alongside youth, voluntary and health settings.

Many contributors to the Commission supported considering a volunteering model as a sustainable approach to providing widespread mentoring support. Young people and professionals pointed out that an incentive could be linking volunteering opportunities to qualifications. A number of contributors also pointed to the success of the Teens and Toddlers programme, pointing out that there are a number of trained facilitators in the borough currently. It was suggested that these could be utilised in developing a local programme which requires purchasing only assurance activity in order to develop a local evidence base.

#### Role of schools and other educational settings

All stakeholders consulted stressed the importance of schools as the central channel to reach young people and their parents. The Commission, however, heard evidence of significant variations in the quality of SRE in schools – ranging from superb examples of effective, whole-school approaches to one-off lessons in the later years of secondary school – most often years 10 or 11 – while some young people reported they had received no SRE through their school. SRE was also covered in different parts of the curriculum, ranging from science and citizenship to PSHE (personal, social and health education).

Most respondents believe some level of education should begin before puberty, and many young people suggested that the start of year 9 would be the most appropriate time to introduce SRE into secondary education as the respondents felt that this was when young people's bodies were changing and so presented an opportunity to address some of the myths, confusion and pressure a young person may experience at this time.

Stakeholders contributing to the Commission's investigations persuasively argued that SRE is most effective when set in a wider programme around self-worth, behaviour, relationships and consequences. A consistent, 'drip-drip' approach, delivered across school years, is seen as the most effective approach as it builds the knowledge and skills of a young person as they mature. There was strong support for more joined-up thinking around relationships education, and embedding this across the curriculum, such as after-school clubs or the creative curriculum. There was support also for making greater use of school nurses, as well as fostering stronger links with statutory, voluntary and school professionals.

Many respondents argued that the lack of consistency around SRE across the school system was largely due to the knowledge and confidence of teachers, attitude of the school and resistance from parents. Another common barrier cited for that PSHE/SRE is not a compulsory part of the curriculum. There was also widespread recognition that there are

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many providers of SRE and that there is a need to bring these together under an umbrella of a consistent message.

There was overwhelming recognition that the most effective support to young people was delivered by a package of interventions tailored to a school's needs – ideally offering schools a 'pick'n'mix' range of interventions that could be selected according to local need. Many respondents, including schools, felt that a locality-based approach would be most effective in identifying local need and of sharing good practice between schools. In addition, respondents suggested that marketing a curriculum about relationships within a framework for SRE could encourage schools to adopt it. The Commission also heard contributions which advocated the use of 'behaviour' as a lever to engage schools, and of developing a local evidence base about the impact of interventions on behaviour to further support commissioning in this area.

Although the Commission accepts that all secondary schools in the borough are outside local authority control, it believes that efforts must be made to engage all schools and governing bodies, to raise awareness of the importance of the issue and to ensure that all schools apply the local authority's policy.

Many contributors to the Commission urged the increased use of information about the reality of the issue in a school's area. The Commission accepts that a more hard-hitting approach may be necessary with schools which fail to understand the reality of teenage conceptions in their area, although it accepts that this approach carries some risks.

Respondents voiced support for improved guidance on signposting to support for vulnerable young people (such as a signposting flowchart distributed to all schools), and on training in identifying vulnerable young people. The Commission also heard that there is a lack of continuity in education between primary and secondary phases – with transition acting as a key point for intervention – and that, at primary level particularly, there was a lack of access to additional services.

Many stakeholders – young people and adults – told the Commission of varying levels of engagement by schools of parents – with the best practice including ongoing education, guidance and dialogue, working as a partnership in supporting a young person's wellbeing. Many parents, however, also reported that they felt excluded from this aspect of their child's education – and all spoke of the importance of being involved and having an open dialogue with the school (see below for more detail).

#### Role of health service providers

Health professionals generally reported that they felt young people do not make full use of available services, and that they do not take responsibility for their own sexual health. They expressed frustration at a lack of opportunity or capacity to educate young people about wider health issues. A few health professionals also felt it was too easy to have a 'social' termination.

There was universal recognition of the need to bring health visitors on board; and some respondents felt that the role of health professionals such as midwives should include preventative education and guidance, such as visiting schools or parental groups to give talks. Some health professionals spoke of the potential value and impact of young people who have poor sexual health, for example because of repeated infections or miscarriages, being trained as peer educators.

There is strong evidence that health services need to be well linked to schools and other community and educational services, and of improved integration across services at key points, such as when a young person receives a negative pregnancy test or at a termination interview. There was strong support from many respondents for follow-up offers of support post-termination (as prevention of further conception), and that a key issue was that this

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follow-up was persistent in seeking to engage the young person, something which many professionals agreed did not always happen at present. There was also strong support for greater involvement of parents in young people's sexual health services, with many respondents feeling that parents were too often excluded.

### Role of youth professionals

The Commission heard of many good examples of youth professionals providing strong education, advice and support for young people in relation to sex, relationship and contraception, but that quality and coverage across the borough was inconsistent. All youth professionals who contributed to the Commission agreed that all youth workers should be providing SRE and access to all types of contraception, and voiced concerns about the need to have clear guidance and curriculum materials which support professionals.

Youth professionals believe passionately that a universal SRE programme which covers all ages, genders and wards is the most effective way to address high conception rates and also ensure that more vulnerable young people are identified and supported. Some respondents highlighted difficulties with providing SRE, such as potential confrontations with parents, and called for greater clarity, support and education about professional and legal boundaries.

Youth clubs were also seen as an important channel to reach parents, and many youth professionals spoke of wanting to advise parents, about for example parental locks on the internet, run parenting programmes or encourage parents to attend youth clubs to raise their awareness and understanding of this issue.

Professionals expressed concerns about the sustainability of the Commission's recommendations, given the current economic climate, and voiced hope that the voluntary sector would be engaged in taking recommendations forward. They also spoke eloquently about the need to get out on the streets and engage young people, particularly those who are more vulnerable.

### Role of other providers

As evidenced throughout this report, the input of support services for highly vulnerable young people is vital in securing better outcomes in this area. The Commission heard repeated calls for greater awareness and involvement from specialist services, such as children in care and social workers, in efforts to educate and support young people in regard to sex and pregnancy. Respondents also pointed to excluded young people as another key cohort to target, especially those in key stage 4, and suggested reintegration interviews offered an opportunity to educate and guide young people in relation to sex and sexual health. Similarly other partners, such as Southwark College, were cited as important partners to engage when implementing this report's recommendations. Children's centres were also raised as key channels to reach parents, as well as providing focal points to engage wider community, voluntary and faith groups.

## **What role can parents and carers play in addressing sexual health and teenage conceptions?**

The influence of parents was universally cited as one of the biggest determinants in a young person's choices around sex and relationships, and in raising their aspirations and self-worth. The ideal scenario was seen to be parents engaging in an open, ongoing dialogue with their child from an early age, covering healthy relationships, love, respect, self-worth and aspirations.

Many parents admitted how difficult it is have this open dialogue with their child – many talked of 'seizing the moment'. Common barriers inhibiting them discussing sex and

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relationships at home included embarrassment, faith, culture, pace of modern life, or not seeing the issue as a priority.

Some parents feel that their value and input in this area has been marginalised by society, with their child receiving many mixed messages about sex, relationships and teenage pregnancy. Many contributors to the Commission's investigations felt that media portrayal was often negative and that this impacted on young people. Parents felt that they were often not seen as a role model for their children. They called for the promotion of positive role models, and for the community to come together to influence the media, rather than the other way round. Many also urged the borough to lobby the government on the sexualisation of childhood.

Parents welcomed any aids to open up dialogue, such as TV programmes or leaflets through the door. They repeatedly called for support in talking to their children, such as workshops, training, materials or advice. They felt this should be age-appropriate, include practical advice (such as how to discuss pornography), embrace cultural, financial, emotional and physical milestones, and link to wider issues around drugs, alcohol and raising aspirations. It was felt the marketing of support must be positive in tone, to encourage as wide as possible participation. Parents also overwhelmingly called for such support to be provided in locations in the community, such as schools, community and faith groups and children's centres.

Parents, like young people, want to learn from those they trust and who have had similar experiences. There was also support for training being provided jointly by parents and professionals. The Commission heard much support for peer educators, which are seen as an effective and cost-effective way to engage parents. This model also offers a sustainable way to roll out parent SRE training and support across the borough. Children's centres and schools were identified as the ideal channels to develop a model – for example establishing a locality team of parent mentors, with specialist support, who could support a range of children's centres, settings and groups. There was also much support for forums or opportunities for parents to come together, to share and learn together.

There was strong support for ensuring that 'talking about sex' is incorporated into existing parenting programmes, rather than as a standalone course. In keeping with education for young people, stakeholders contributing to the Commission felt a 'drip drip' approach was most effective, and would seek to catch parents at different stages of their child's development. A number of contributors spoke highly of the Family Planning Association's 'Speakeasy' programme.

Many also spoke of services not engaging parents in this aspect of their child's upbringing. Some parents and young people also expressed concern about the confidentiality policies of health services – although they understood the law on this issue, they felt that it was best for parents not to be kept out of the loop in regards to the health and wellbeing of their child. Parents of teenage parents especially reported a lack of clear signposting or access to support when their child became pregnant. Many respondents also called for better links between professionals and parents – for example with professionals engaging with parents through children's centres or other public services, such as libraries – as well as a single point of contact to services to request information and advice.

There was overwhelming support for improving the dialogue between school and home, to ensure that young people receive a consistent message from both. Although the Commission heard of many examples of positive and open dialogue between schools and parents, a number of parents felt disempowered, expressing concern or ignorance about what their school was teaching their child – an issue that could be resolved through improved dialogue. Many respondents urged giving consideration to making better use of home-school liaison officers, parent support advisors, school nursing service, coffee mornings, parents' meetings and opportunities to discuss SRE content before the class takes place. There was also much

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support for making better use of GPs and other health services in regard to engaging parents.

Young people also overwhelmingly recognised the central role their parents have in guiding their choices, and agreed that many parents need support. They felt it was vital that there was open dialogue between parents and the school, and that this should begin in primary school and be continued throughout secondary education. One respondent cited a SRE project in school where young people were tasked with asking their parents about their own SRE as a way to foster dialogue in the home. Many young people supported the view that youth professionals, such as personal advisors, could act as a bridge between young people and their parents, in promoting increased dialogue within the family – and this view chimes with the support youth professionals wish to provide to a family.

Children's centres, which run many parenting programmes and activities, were also suggested as good opportunities to engage parents while their child is very young, especially through outreach workers. Many stakeholders also supported the view that children's centres could act as a hub for or link to community organisations, other services accessed by parents, and parents with older children.

The Commission heard that community and faith groups also represent a key channel to reach parents outside the school system and also to reinforce messages, and should be engaged in a borough-wide education programme. Community and faith groups also expressed strong willingness to provide this kind of support (see next section).

### **What influence do values, faith and culture have on teenage conception rates?**

All contributors to the Commission recognised the hugely positive influence values, faith and culture have on a young person's choices. It was universally acknowledged that these play a huge part in raising a young person's aspirations and so help them make positive choices. Many contributors to the Commission's investigations drew a strong link between the quality and availability of education with high self-esteem, arguing persuasively that increased education and awareness, coupled with mentoring support, is key to reducing conception rates locally.

Many respondents pointed to potential conflicts between national and local policy in this area, and cultural or faith beliefs, with some feeling disempowered to instil their own values in their children. They also recognised that in some communities, teenage sex, terminations and pregnancy are taboo subjects. What was also clear, however, from the many responses from across Southwark's diverse communities, was that there is much energy, dedication and passion in our communities to support young people to make positive choices, and that this provides common ground on which to build future activity.

Through the many responses to the Commission, it is also clear that there is significant interplay and conflict between different value systems – such as those of parents and young people, or between home and school. Respondents were unanimous in recognising that these tensions need addressing in any future activity or actions, and that open dialogue would be central to understanding and overcoming these difficulties.

Although contributors from community and faith groups spoke primarily as parents, young people or professionals, and these views are represented throughout this report, the Commission recognises that the diversity of Southwark's communities poses challenges in developing an approach accessible to all involved. All respondents recognised that there is a need for greater dialogue across communities, but also that there is a strong willingness within our communities to reach out and engage with others in order to support our young people. There was overwhelming support for providing education and guidance to young people and parents through faith and community groups, and recognition that there is much expertise and activity already within our communities. Many respondents expressed a strong

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desire to be able to work beyond their own community's boundaries, and would welcome support that enabled this. They recognised the value of working in partnership, and that any activity should be closely aligned to that taking place in schools and other provision.

The Commission firmly believes that its work provides a solid starting point in further developing and improving dialogue and collaboration between different sections of Southwark's communities. Many respondents called for space for people to come together to keep talking and find common solutions – and that this kind of forum should include not only those from community or faith groups but also schools, youth provision, health professionals and parents. A hope was expressed that this would help build a consistent message across cultures, faiths, genders and services – for example finding agreement on the age at which to begin education for young people. The Commission also recognises that this kind of forum could provide support to providers and interest groups to work together to develop solutions that meet local need.

There was also overwhelming recognition that community and voluntary organisations contribute considerable expertise and energy to this policy area, and that their contribution needs to be nurtured, especially as statutory services face increasing pressure on their budgets over the coming years. There was strong support for the potential of community groups to spread positive messages about sex and relationships, and many respondents urged capitalising on all opportunities to engage them in local efforts to reduce teenage conceptions.

### **How to challenge the myths surrounding sex, relationships and teenage parents?**

The Commission heard how young people, and their parents, hear many different and inconsistent messages about sex, relationships and teenage pregnancy, which leads to confusion and the perpetuation of myths about teenage pregnancy. On the one hand, young people see sex as fun, pleasurable, and about showing off; on the other hand they know about infections, disease and emotional issues. They are very aware they are being told they are not old enough, that they don't think about the consequences – yet they feel they are not given the information or support to be able to make positive choices.

There are also many misconceptions and negative images about being a teenage parent, such as that they only got pregnant to get a house or benefits, that they are too young to cope or be good parents, and that they are irresponsible. This view was backed by the experiences of teenage parents who contributed to the Commission. Teenage parents reported that the key influences on their decision not to terminate were their parents, the baby's father, faith and their own personal sense of responsibility. Many also spoke of a desire to be loved unconditionally.

Contributors to the Commission's investigations universally agreed that there needs to be a concerted effort to develop a message that is consistent, honest and real, and which focuses much more on the wider issues of relationships, aspirations and managing a young person's emotions and behaviour. Any communications have to be 'sex positive' and honest that we all live in a sexualised world and that sex is precious. Communications must seek to build on the energy, dedication and passion in our communities to support young people to have respect for themselves and each other, and to make positive life choices. There was support for promoting a 'delay' message, as well as for the need to have positive role models to front the campaign.

Many contributors to the Commission spoke of the need to reinforce the consequences of teenage pregnancy, in terms of financial, material and health costs, and of expectations that it is not 'right' to have sex or a child young, especially under 16. Many also agreed that there was a need to target communications on debunking gender stereotypes, of the need to equip



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women with the skills and confidence to negotiate safe sex – about both sexes having respect for themselves and each other.

There was very strong support for sensitively ‘using the negatives positively’. The Commission understands the risks associated with using information and data about conception hotspots in communications campaigns and recognises that further work is needed to develop an appropriate campaign which avoids stigmatisation, but feels strongly that such communications must recognise the reality of teenage conceptions in the borough and that the use of hotspot information would be a good way to engage and motivate local communities. It believes strongly that the power of popular understanding and pressure has the potential to motivate all partners in the borough to support efforts to reduce teenage conceptions, and expects that any use of hotspot data must be accompanied by signposting to support.

Sex, relationships and teenage pregnancy are too often seen as taboo subjects in Southwark, in contrast to other boroughs which routinely publicise sexual health support services. Many contributors to the Commission’s investigations voiced strong support for a widespread campaign, akin to stopping smoking or the ‘Think’ road safety campaign – one that drums in the message to young people and their parents. There were calls to link with other groups or boroughs, and even national companies. The Commission noted that a dip in 2005 conception rates could potentially be linked to a widespread campaign in collaboration with Lambeth and Lewisham called ‘Choose your life’ which highlighted the consequences of teenage pregnancy in financial and social terms. There was strong support for any campaigns to be in collaboration with neighbouring boroughs, and of involving young people in designing a campaign, such as through youth community councils.

Many respondents highlighted the importance of quality training in engaging and educating young people and parents, yet reported that training opportunities in the borough were patchy in coverage and quality. The Commission notes that there are a number of courses for professionals, and that these vary in quality and message. It heard repeatedly that there is a need to raise awareness levels across the community as too many groups are promoting messages that are inconsistent with the local authority’s policies. It was also clear from the evidence presented to the Commission that training opportunities are currently not accessed by the broadest definition of the children’s workforce, and that efforts could be made to promote opportunities to all who come into contact with young people and parents, for example through children’s centres’ outreach workers, advisory boards and parents forums.

## Recommendations

1. Create a specialist sexual health outreach worker role to follow up and refer vulnerable young people to additional, appropriate support and to improve take-up of contraception, including long-acting reversible contraceptives.
2. Create a vulnerability profile for the borough to fully understand the experiences of young people in the teenage pregnancy cohort, and so enable the targeting of interventions early at a local level, supported by common assessment tools.
3. Provide consistent, intensive, sustained support for vulnerable young people, to improve the take-up of contraception and promote less risky behaviour, and ensure that follow-up support is effectively targeted.
4. Provide targeted mentoring opportunities for vulnerable young people who may be at risk of teenage pregnancy, to help raise their aspirations and support positive choices.
5. Continue the health hut model, building stronger links with GP and health services through the huts and expanding the model into other settings as appropriate, and also consider peer 'signposters' to promote the work of the health huts among young people.
6. Focus outreach work on known groups of vulnerable young people, including young men, under 16s and certain locations in the borough where teenage conceptions are highest.
7. Widen and enhance the availability of sex and relationship education by ensuring every youth club provides education as part of its curriculum, supported by training to ensure consistency and quality, and with input from health professionals as appropriate.
8. Develop a comprehensive offer to schools that promotes a broader curriculum which: encompasses relationships, emotions, self-esteem and behaviour and includes input from health professionals; includes a focus on improving the dialogue between parents and schools around children's sex and relationships education; and links better to prevention and support services.
9. Improve access to contraception, as appropriate, through professionals working with young people, and ensure that all professionals working with young people are adequately trained to identify and support young people in accessing all forms of contraception.
10. Include targets, as appropriate, for under-18s accessing services in service level agreements for sexual health provision and, where appropriate, in the commissioning of youth provision.
11. Better publicise, as appropriate, the availability, pros and cons of contraception, including long-acting reversible contraception.
12. Develop and promote a SRE programme for parents and community groups which emphasises how young people can manage relationships and emotions, and becoming an adult.
13. Consider establishing a peer education programme for parents in parallel to a programme for young people.
14. Increase the focus on teenage pregnancy in commissioning of and through community groups.
15. Be bold and honest in communications to teenagers and parents about sex, relationships and teenage pregnancy, developing a message that sensitively uses the 'negatives

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positively' by utilising local information about teenage conceptions, is based on choice, respect and being safe, and focuses on the consequences of teenage pregnancy and encouraging young people to delay sex and pregnancy until the 'right' time.

16. Promote this message widely, ideally through a coordinated campaign involving schools and residents, and consider developing a 'parent's guide to young people' which signposts parents to advice and support on all issues relating to teenage years, not just teenage pregnancy. The message should also be promoted across council departments and partners.

17. Establish a single point of contact within the council, ideally as a generic phone number and email address. This point should act as a gateway to information, advice and support for young people, professionals and members of our communities.

18. Create a single model of SRE training. This should include a free 'basic' level which is mandatory for council staff and commissioned provision, and freely available and promoted to everyone in the community; plus additional training tiers for those working more intensively with vulnerable young people. It is essential that these training opportunities are widely promoted across professionals and the community.

19. Establish a focal point for professionals and interested parties with a mandate to share good practice, work together to develop solutions to local needs, and to review annually progress by the local authority against the Commission's recommendations.

## Appendix 1

### Teenage Pregnancy Commission's aims and objectives

To present Southwark's cabinet member for children's services with recommended actions which will reduce local teenage conceptions at an accelerated rate, including how to:

- Better target services at those most in need
- Overcome the issues and obstacles facing our communities and schools
- Meaningfully engage parents, carers and young people
- Develop a consistent communications message
- Establish a legacy that will sustain the work in Southwark

This will include undertaking the following:

- Reviewing current council and partnership plans and strategies
- Collating and assessing current research and evidence
- Reviewing best practice evidence
- Gathering the views, experiences and ideas of those living and working in the borough

## Southwark Teenage Pregnancy Commission

**Appendix 2****Teenage Pregnancy Commission membership**

<b>Name</b>	<b>Organisation</b>
Abu Bakar Rojas	Southwark Youth Council
Alison Robert	Outreach and Development Manager, Brook London
Ann-Marie Dryden	Locality coordinator, Walworth, Borough and Bankside
Becky Stone	Urban Academy
Carolina Velasquez	Southwark Latin American Women's Rights Service
Cassandra Coteh	Urban Academy
Celia Stober	Sierra Leone Community Forum-UK, chair of SLCF
Claire Lynch	Parent
Claire Teudor	Teenphase, Guy's and St Thomas' Trust
Debra Viller	Integrated Youth Support Service, Southwark
Duza Stosic	Headteacher, Urban Academy
Eileen Siley	Director, From Boyhood to Manhood
Eleanor Hulme	Termination Clinic, King's College Hospital
Esy Oluwafemi (chair)	Founder, Wisegem
Eunice Ximines	Bessemer Midwifery Team, King's College Hospital
Fariah Nanhoo	Children in Care Council
Fokrul Meah	Youth Adventure Project, Bede House
Helen Melville	Connexions, Harris Academy @ Peckham
Ibrahim Bah	Southwark Youth Council
Ibrahim Kamara	Restore Hope For Children
Jane Harris	Southwark Standing Advisory Council for Religious Education
Karen Stocks	Parent Worker, Place to Be
Katheryn Hather	Young Parents Forum
Khadijah Knight	Southwark Standing Advisory Council for Religious Education
Louise Johns-Shepherd	Headteacher, Peckham Park Primary School
Lucy Meagher	Headteacher, SILS4
Maktuno Suit	Young Fathers Development Worker, Working with Men
Marilyn Uriona	Worship minister
Mark Blundell	Director, Salmon Youth Centre
Marlen Cabezas	Southwark Latin American Women's Rights Service
Morgan Tume	Young parent
Neil Solo	Project Manager, BabyFather Initiative, Barnardos
Octavia Williams	Minister, Walworth Christian Fellowship
Patrick Diamond	Councillor, Newington ward
Rosie Shimmell	Councillor, East Dulwich ward
Samiat Oshodi	Southwark Youth Council
Sarah Smith	Esteem Coordinator, Oasis and Esteem Resource Network
Shakira Lawal	Youth Worker, Southwark Youth Council
Shantelle Atchoe	Young parent
Sharon Donno	Headteacher, Kintore Way Children's Centre; Chair, Heads' Executive
Sheik Mohamed Bailor Barrie	Teacher/imam, Peckham Rye mosque; Barakah Educational and Cultural Association
Sonji Clarke, Dr	Teenphase, Guy's and St Thomas' Trust
Uwa Ohen	Teenphase, Guy's and St Thomas' Trust
Viv Oyolu	Managing Director, Divine Communications Trust

**Advisors and observers**

Barbara Hills	Locality Director, Southwark PCT
Emma Corker	Teenage Pregnancy Coordinator, Southwark Council
Catherine McDonald	Cabinet member for Children's Services

## Southwark Teenage Pregnancy Commission

Clare Smith	PHSE advisor, Southwark Council
Kerry Crichlow	Assistant Director, Strategy, Commissioning and Business Improvement, Children's Services
Kirsten Watters	Public Health, Southwark PCT
Sharon Hemley	Young Parents Learning Centre

**Appendix 3****Contributors to Commission's investigations**

Anne Cleary, Family Nurse Partnership  
 Barnardos (staff)  
 Bede House (youth group)  
 Bermondsey Community Council  
 Camberwell and Dulwich Youth Community Council  
 Diana Whitmore, Chief Executive, COUI UK, Teens and Toddlers  
 El-shaddai Glorious Tabernacle (congregation)  
 Faces in Focus (staff)  
 Family Nurse Partnership (young parents)  
 Jane Wills, Professor Health Promotion, London South Bank University  
 Southwark Heads' Executive  
 Guy's and St Thomas' Hospital (clinical staff)  
 Harris Academy @ Peckham (students)  
 Peckham Community Council  
 Rachel Bartlett, Family Nurse Partnership  
 Restoration Chapel International (congregation)  
 Roger Street, Delivery Manager, Teenage Pregnancy National Support Team  
 Salmon Youth Centre (young people)  
 Salvation Army (youth workers)  
 SILS4 (students)  
 Social Enterprise  
 Southwark Integrated Youth Service (staff)  
 Southwark Muslim Women's Association (youth group)  
 Southwark Parent Carer Council (parents)  
 Southwark Parent Participation Forum (parents and staff)  
 Southwark PSHE Forum  
 Southwark Standing Advisory Council for Religious Education  
 Southwark Youth Council and youth community councils  
 Southwark Youth Offending Team (young offenders)  
 Southwark Young Parents Learning Centre (young parents)  
 Southwark Young Parents Network (young parents)  
 Southwark Young Parent Support Team (staff and young parents)  
 Urban Academy (students)  
 Walworth Christian Fellowship (congregation)  
 Wisegem (young people and staff)  
 World Evangelism Bible Church (congregation)

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Council Plan	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Peter John, Leader of Southwark Council	

### **FOREWORD – COUNCILLOR PETER JOHN, LEADER OF SOUTHWARK COUNCIL**

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.



## RECOMMENDATION

1. That the Cabinet agree the content of this report that makes up the Council plan, noting the fairer future promises, for recommendation to Council Assembly on 6 July 2011.

## 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. 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.
9. 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.

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

10. 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);
11. 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**

12. The following text sets out the Leader's introduction 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**

13. 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.
14. 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.
15. 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.
16. 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.
17. 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**

18. 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).
19. 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 / background papers drawn from each department's business and budget plans.

## **Finance and Resources**

20. 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.
21. 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.
22. 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.
23. 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.
24. 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**

25. 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.
26. 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.
27. 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.

28. 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.
29. 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**

30. 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.
31. 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.
32. 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.
33. 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.
34. 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.
35. We will deliver our Charter of Rights for all service users.
36. Partnership working with health services will remain a key priority, adapting to the changes occurring in the NHS 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**

37. 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.
38. 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.
39. 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.
40. 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.
41. 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.
42. We will minimise the number of people in temporary accommodation.
43. 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**

44. 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.
45. 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.
46. 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.

47. 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.
48. 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.
49. 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**

50. 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 and issues where we can be most effective to tackle key issues for the borough.
51. 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**

52. 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.
53. 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.

54. 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.
55. 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.
56. 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**

57. 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.
58. 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.
59. 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 CO<sub>2</sub> emissions, and improve air quality. We will work to make the shared public realm accessible, safer and enjoyable for all.
60. 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 CO<sub>2</sub> 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.
61. The Council is looking to find short and long term solutions for increasing burial space and on improving the standard of the bereavement services that we provide.

### **Regeneration and Corporate Strategy**

62. 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.

63. 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.
64. 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.
65. 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**

66. 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 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.
67. 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 readily available on the Council's website.

### **Communication, reporting and feedback**

68. 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.
69. 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.
70. With this information in place and visible, regular reporting and feedback against the targets and milestones set out within the plan can be achieved.

### **Community impact statement**

71. 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 24<sup>th</sup> 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.
72. Actions and activities set out in this plan may have such a specific impact and 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**

73. 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.

### Strategic Director of Finance and Resources

74. 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: <i>A Fairer Future for All in Southwark</i>	Corporate Strategy 160 Tooley Street <a href="http://www.southwark.gov.uk">http://www.southwark.gov.uk</a>	Stephen Gaskell 020 7525 7293
Cabinet Report: <i>Policy and Resources Strategy 2011/12-2013/14 – revenue budget</i>	Finance and Resources 160 Tooley Street <a href="http://www.southwark.gov.uk">http://www.southwark.gov.uk</a>	Cathy Doran 020 7525 4396

### APPENDICES

No.	Title
A – I	Delivery schedule of key actions and targets for each portfolio

### AUDIT TRAIL

<b>Cabinet member</b>	Cllr Peter John, Leader of Southwark Council	
<b>Lead officer</b>	Eleanor Kelly – Deputy Chief Executive	
<b>Report author</b>	Stephen Gaskell – Business and Partnerships Manager James Sexton – Principal Strategy Officer	
<b>Version</b>	Final	
<b>Dated</b>	10 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Strategic Director of Finance and Resources	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	10 June 2011	

## Schedule A - DRAFT

### Council Plan: Measures for Finance and Resources

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

**Accountable Officer: Duncan Whitfield, Strategic Director of Finance and Resources**

	Lead Officer	Current performance	Targets		
			2011-12	2012-13	2013-14
1	Jennifer Seeley		0% increase	2.5% increase	2.5% increase
2	Jennifer Seeley	N/A	Not greater than 2% variance of actual spend against balanced budget.		
3	Dominic Cain	20010-11 NDR 97.6% Council tax 92.7%	To maintain existing performance through 2011/12	0.5% increase	0.5% increase
4	David Howes			1% reduction	1% reduction
5	Jennifer Seeley	£20m represents 6.25% of the Council's general fund budget of £320m for 2010/11	£20m	£20m	£20m
6	Jennifer Seeley		TBC	TBC	TBC
7	David Howes		£0.5m savings	£0.5m savings	£0.5m savings

8	Ensure all our staff are in fit for purpose, suitable office accommodation	John Chance				Provide new and improved office accommodation in the southern half of the borough (Peckham and south)
9	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		TBC, described as cost per transaction	TBC, described as cost per transaction	TBC, described as cost per transaction
10	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 - DRAFT Council Plan: Measures for Equalities and Community Engagement

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

**Accountable 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 31.3.12	Implement CC review including savings	
2					
3	Stephen Douglass	80% net agree	0.8	0.8	0.8
4	Stephen Douglass		Recommendations made by Dec 2011		
5	Stephen Douglass	15% very positive or positive influence (NI7 score)	0.15	0.15	0.15
6	Stephen Douglass	Baseline to be established			
7	Stephen Douglass		Strategy by end October 2011		
8	Stephen Douglass	49% agree, 42% disagree, 7% net agree	7% net agree	7% net agree	7% net agree

## Schedule C - DRAFT

### Council Plan: Draft Measures for Health and Community Services

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

**Accountable 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	We aim to 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	We will reduce the charges for meals on wheels by 50%.	Jonathan Lillistone		phased implementation		50% reduction achieved
3	We will 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	We will increase the proportion of people with learning disabilities who are supported to live at home, measured by "% in settled accommodation" national indicator.	Sarah McClinton	60%	65%	70%	75%
5	We will ensure there are sensible safeguards against the risk of abuse or neglect.	Sarah McClinton	2010 CQC rating "performing well" on safeguarding outcomes	Targets to be developed after new national outcomes framework safeguarding measures finalised (2011/12)		
6	We will 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 service	Targets to be developed after new national outcomes framework reablement measures finalised (2011/12)		

7	We will 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	We will 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	We will deliver our Charter of Rights for all service users.	Sarah McClinton	Charter agreed	Charter of Rights fully implemented		
10	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.	Sarah McClinton		Key project milestones to be finalised		

## Schedule D - DRAFT Council Plan: Measures for Housing

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

**Accountable Officer: Gerrit Scott, Strategic Director of Housing**

	Lead Officer	2010/11 performance	Targets		
			2011-12	2012-13	2013-14
1	D Lewis	n/a	£66.2 million	£58.1 million	£60.4 million
	<b>Warm, dry and safe housing</b> Implement a minimum housing investment programme of major works of £308m to ensure that the Council's homes meet the Government's Decent Homes Standard by March 2016				
2	M Green M Green	n/a Capital billing = £9.8m; Capital arrears = £13.643m	by Mar 12 Capital billing = £9.73m; Capital arrears = £14.3m	- -	- -
	<b>Fair charges for leaseholders</b> Deliver the leaseholder audit action plan Meet targets set for Capital billing and Capital Arrears				
3	D Lewis D Lewis D Lewis D Lewis D Welsh	73% 64% n/a n/a 11 LO in place	75% 70% by Mar 12 by Mar 12 Expand by Mar 12	77% 72% - - Annual review	79% 74% - - Annual review
	<b>Improve the housing repairs and other service standards</b> % satisfaction with overall repairs service Repairs completed right first time (survey) Implement the Housing scrutiny recommendations Implementation of the end to end review of repairs We will expand on newly developed Local Offers and review annually				
4	SMT (& Ian Young)	n/a	£9.1m	£6.4m	£4.3m
	<b>Improve the Council's efficiency</b> Deliver Housing Revenue Account savings identified over 3 years				
5	S Holdcroft S Holdcroft	25.9 calendar days 198	22 calendar days 250	21 cal. days 275	20 cal. days 300
	<b>We will use our housing stock effectively</b> Average void turnaround times in calendar days Number of illegal properties recovered annually				
6	D Welsh	147 755 (at 31/3/11)	135 750 (at 31/3/12)	150 <750 (at 31/3/13)	170 <750 (at 31/3/14)
	<b>Increase the supply of housing and minimise the number of people in temporary accommodation</b> Number of empty private homes brought back into use Minimise number of accepted households in Temporary Accommodation				
7	SMT D Welsh D Welsh	69.5% 54.4% n/a	71% 56% by Mar 12	72% 57% -	74% 58% -
	<b>Involve tenants and leaseholders in ongoing improvement of service delivery</b> % 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				

8	<p><b>We will publish every fire risk assessment and make the register of when they were last done an <u>online public document</u></b>          Publication of register of fire risk assessments</p>	D Lewis	n/a	Oct 11, Apr 12	Oct 12, Apr 13	Oct 13, Apr 14
9	<p><b>Effective re-housing arrangements</b>          Review policy on re-housing residents who need to move due to major regeneration projects</p>	D Welsh	n/a	by Mar 12	-	-

## Schedule E - DRAFT

### 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.

#### Accountable Officer Romi Bowen, Strategic Director of Children's Services

ref	Lead Officer	Current performance	Targets		
			2011-12	2012-13	2013-14
1	Romi Bowen	Adequate (2010)	Performs Well	to determine appropriate level in new system	
2	Kerry Crichlow	n/a	Roll out to all primary schools, certain year groups only	Roll out to additional primary age groups.	All primary schools covered by academic year 2013/14
3	Merril Haeusler	n/a			Young people to have power over 20% of youth services budget by 2014
4					
4a	Merril Haeusler	9 schools (June 11)			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)		
4d	Merril Haeusler	32.1% (2010)	30% (2011)		

**Overarching measure:** Ofsted overall assessment of Council Children's Services

**Key objectives:** We will introduce free healthy school meals for all primary school children

We will give young people real power over 20% of the youth service budget

We will champion improved educational attainment in all settings, holding all schools to account to deliver continuous improvement:

\* Reduction in schools below current minimum "floor" standards

\* % achieving Level 4 Maths and English at Key Stage 2

\* % achieving 5 or more A\*-C grades at GCSE or equivalent including English and Maths

\* Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile (EYFSP) and the rest.

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	We will 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	We will continue to invest in our schools through our primary capital and Building Schools for the Future programmes: BSF milestones	Sam Fowler		Phase 1 completions	Phase 2/3 completions
7	We will 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
8	Key related outcome measures: Increased rates of employment, education and training of young people - NEET rate	Merril Haeusler	8.7% Not in education, employment or training (old NEET definition)	Appropriate measures to be developed in context of national policy framework around NEET services and data during 2011/12.	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	First time entrants 221, Re-offending 80%	New targets to be agreed in context of performance framework changes.	New targets to be agreed in context of Youth Justice Board and performance framework changes.
10	Key children's safeguarding outcome measures	Rory Patterson	n/a	Measures to be developed after analysis of outcome indicators	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	n/a	Referrals measures to be developed after analysis of final Munro report outcome indicators around referrals



## Schedule F - DRAFT

### Council Plan: Measures for Community Safety

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

**Accountable 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	Maintain at 2011-12 level
3	Jonathon Toy	51% for 2010/11.	5% increase from 2010/11 to 56%	Maintain at 2011-12 level	Maintain at 2011-12 level
4	Jonathon Toy	7312 for 2010/11	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	80% compliance	80% compliance	80% 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	tbc	Baseline year	TBC	TBC

## Schedule G - DRAFT

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

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

**Accountable Officer: Gill Davies, Strategic Director of Environment**

	Lead Officer	Current performance	2011-12	Targets 2012-13	2013-14
1	Adrian Whittle	Baseline at March 2011 63%	70%	70%	
2	Adrian Whittle	Baseline at March 2011 49%	55%	58%	
3	Adrian Whittle	Baseline is 7.6 in 2010/11	8	8.4	
4	Adrian Whittle	1,395,347 in 2010/11	1,465,295	1,538,559	
5	Adrian Whittle	80%	80%	80%	
6	Adrian Whittle	£2.57	£2.50	£2.45	
7	Adrian Whittle	£2.40	£2.35	£2.30	
8	Adrian Whittle	Baseline at 2010 is 53.8% 65.5%	55% 68%	No survey	
9	Adrian Whittle	n/a	£3.045 million	£12 million	£6.5 million
10	Adrian Whittle	n/a	£180,000	£150,000	£150,000

## Schedule H - DRAFT

### 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.

**Accountable Officer:** Gill Davies, Strategic Director of Environment

		Lead Officer	Current performance	2011-12	2012-13	2013-14
1	<b>Prioritise a clean borough</b>					
2	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%
3	Maintain our resident satisfaction with street cleanliness	Ian Smith	89%	89%	89%	89%
4	Improve the cost of street cleanliness per head of population	Ian Smith	£31.87	£26.95	£26.60	£26.60
5	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%
6	Reduce the number of complaints about: parks, open spaces and cemeteries.	Des Waters	Parks and Open spaces = 26 complaints. Other categories are currently not logged separately	Parks & Open Spaces 24	P & OS 22	P & OS 20

7	<b>Reduce, reuse or recycle everywhere we have influence</b>												
8	Improve recycling collection rate	Ian Smith		25%		32%		34%					40%
9	Increase the amount of waste diverted from landfill	Ian Smith		62.73%		67.1%		68.3%					69.8%
10	Reduce the cost of recycling per tonne	Ian Smith		£73.83		£56.68		£53.99					£46.66
11				0.016% collections reported as missed in 10/11		0.016%		0.016%					0.016%
12	Maintain the very low rate of missed collections	Ian Smith											
13	<b>CO2 emissions and air quality</b>												
	Reduce carbon emissions from council operations	Ian Smith		41,036 tonnes in 2008/9		37,441 tonnes		32,467 tonnes					27,493 tonnes
14	Reduce carbon emissions and NOx pollution from five Southwark housing estates by connecting to new heat network from SELCHP			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
15	Increased numbers of big emitters working with us to reduce carbon	Gill Davies		52 members at May 2011		60 members		90 members					120 members
16	<b>Accessible, safer and enjoyable public realm for all</b>												
17	Phase one of Burgess Park improvements completed by March 2012	Des Waters		N/A		N/A		Mar-12					N/A
18	Increase the biodiversity of Southwark's green spaces	Des Waters		73%		76%		81%					83%
19	Reduce the cost per hectare of managing parks by 20% over three years	Des Waters		£24,158		£22,663		£21,168					£19,236
20	Increase burial capacity within Southwark's cemeteries	Des Waters		Less than 1 Year		10 Years		25 Years					25 Years +
21	Increase the level of street trading and markets across the borough	Des Waters		61%		64%		67%					70%
22	Reduce the level of successful appeals against parking penalties to that of the best performing London Boroughs	Des Waters		50%		47%		44%					40%
23	Increase the percentage of parking fines recovered to that of the best performing London Boroughs	Des Waters		64%		66%		68%					70%
24	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

## Schedule I - DRAFT Council Plan: Measures for Regeneration and Corporate Strategy

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

**Accountable Officer:** Eleanor Kelly, Deputy Chief Executive

		Targets			
		2011-12	2012-13	2013-14	
		Current performance			
<b>1 Progressing major regeneration to benefit Southwark's communities</b>					
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.	Works on site A are now complete, the site is now in occupation  Sara Waller	The Aylesbury Resource Centre to be open and operational from July 2011  £1.2 million income from first phase of the Aylesbury Estate Agree funding arrangements for Creation Trust by (month) 2011  Secure the empty Heygate estate by erecting a security fence by January 2012  Agreement with St Modwen on Elephant and Castle shopping centre  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 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 Site G December 2011  Start on site of site C5. Demolition to start August 2011 and construction work to start March 2012	Select partners for future sites  Complete the second phase of the demolition of the Heygate estate by April 2012  Core Area (LL) – Planning application spring 2012 SPD – Spring 2012  Leisure centre planning application spring 2012  Planning application on Stead Street 2012/13 Site A total units 220 (146 private, 74 affordable)  Additional 400 homes completed by March 2013  Completion of sale of 19 Spa Road October 2012	Complete remaining sites by end 2013  Planning approval for main scheme  Construction of leisure centre commences  Site A total units 139 (82 private, 57 affordable)
1b	Progressing the Elephant and Castle area regeneration	n/a  Jon Abbott			
1c	Rotherhithe/Canada Water	n/a  James Oates			
1d	Bermondsey Spa	n/a  Jane Seymour			
<b>2 Planning and development</b>					
2a	Planning applications processed within the statutory time limit for major, minor and other developments	Current performance is Major: 71% Minor: 71% Other: 77%	Major: 75% Minor: 75% Other: 75%	Major: 75% Minor: 75% Other: 75%	Major: 75% Minor: 75% Other: 75%

		Current performance			Targets	
		2011-12	2012-13	2013-14		
Lead Officer	Current performance	2011-12	2012-13	2013-14		
2b	Enforcement activity To play our role as a statutory planning authority effectively, ensuring that breaches of planning regulations	Simon Bevan, Gary Rice	TBC: % resolved within 8 weeks	Improvement targets to be set	Minor: 75% Other: 75%	Improvement targets to be set
3	<b>Local area regeneration</b>					
3a	Revitalising the local retail economy by improving local shopping centres across the borough.	Alistair Huggett	Work is in progress on 12 shopping areas	12 shopping areas currently due to complete by the end of July 2012		
3b	Investing in smaller regeneration schemes that will make the borough a better place to live, work and visit	Simon Bevan, Julie Seymour	Public consultation has informed development of local Area Action Plans.	Canada Water Area Action Plan adopted by Council February 2012		Council adopts Peckham and Nunhead Area Action plan June 2013
3c	Strengthening local area plans in Dulwich, London Bridge, Borough and Bankside and Camberwell through improved supplementary planning documents	Simon Bevan, Julie Seymour	n/a	Consultation on Dulwich SPD completed by December 2011 Adopt Dulwich SPD February 2012 March 2012 begin preparation on London Bridge Borough and Bankside SPD		Adoption of Camberwell action area SPD in January 2014
3d	Housing regeneration and renewal in east Peckham and Nunhead 2011/12	Karen O'Keefe	n/a	Asbury and Colls Roads street renewal completed (153 homes); Implementing solar heating, street lighting and tree planting improvements in renewal areas.		
3e	Bringing high quality, new homes to the Wooddene and Elmington sites	Maurice Soden	n/a	Wooddene – Enter into contract by March 2012 Elmington phase 2 – planning submission by February 2012	Elmington phase 2, achieve planning consent and delivery	Elmington phase 2 completion
3f	Regenerate the housing estates, that are most in need of investment.	Maurice Soden	n/a	Elmington phase 3 – completion of Benhill Nature garden by December 2011 and developer selection approved by Cabinet by March 2012 Abbeyfield Estate - undertake option appraisal of Maydew House, including implications for Thaxted Court & Damory House and report back to Cabinet in October 2011	Elmington phase 3, submit planning and delivery	Elmington phase 3 completion
		Maurice Soden	n/a	Hawkstone Estate - undertake option appraisal of low rise blocks and report back to Cabinet in October 2011	n/a	n/a
		Maurice Soden	n/a	Four Squares Estate - undertake option appraisal and report back to Cabinet in October 2011	n/a	n/a
4	<b>Increase the housing supply</b>					
4a	Providing more affordable homes across the borough to improve access to housing locally	Maurice Soden / Julie Seymour		571 affordable homes for 2011/12	570	570
4b	Bringing additional homes to the borough by working with local developers and housing providers	Julie Seymour	1445 as at Dec 2010	1630 additional homes 2011/12		
5	<b>Economic Development</b>					
5a	<b>Employment &amp; skills:</b> improving access to work and training for residents. (Targets identified through commissioned contracts and projects)	Head of Economic Development and Strategic Partnerships		271 people into jobs, 258 jobs sustained for 13 weeks 365 jobs sustained for 26 weeks		

		Current performance			Targets		
	Lead Officer	2011-12	2012-13	2013-14			
5b	Measuring the gap in the employment rate between Southwark performance and London/national average (Working age people on out of work benefits)	Head of Economic Development and Strategic Partnerships	Targets to be agreed	Targets to be agreed	Targets to be agreed		
5c	People claiming out of work benefits in worst performing areas and neighbourhoods (and gap between Southwark & London)	Head of Economic Development and Strategic Partnerships	Targets to be agreed	Targets to be agreed	Targets to be agreed		
5d	<b>Enterprise</b> : stimulating business start-ups & supporting business survival and growth through the recession	Head of Economic Development and Strategic Partnerships	(Subject to agreement of contracts) Indicative outputs for 2011/2012: 15 start-ups and 150 businesses receiving support.				
5e	Active Enterprise Count	Head of Economic Development and Strategic Partnerships	Active enterprise count in Southwark: baseline 13,240 businesses (first year of measurement)				
5f	<b>Camberwell Regeneration</b> : co-ordination of regeneration activity and service delivery to improve the town centre as a place to live, work and do business	Head of Economic Development and Strategic Partnerships	Implementation of library plans; establish cross-border arrangements with Lambeth; TfL-funded town centre scheme agreed;				
5g	<b>Maximising the benefit of major regeneration schemes</b> - to ensure economic development targets are clearly established; to identify resources to ensure delivery and agree delivery methods with developers. All agreements and developments to include targets for enterprise support and getting people into work	Head of Economic Development and Strategic Partnerships	<b>Elephant &amp; Castle</b> - completion of framework for delivery of economic expectations to be completed and agreed with Lendlease prior to planning application (as set out in PPA)				



<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Medium Term Resources Strategy (MTRS) 2011/12-2013/14	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone - Finance, Resources and Community Safety	

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

This report sets out the Council's proposed Medium Term Resources Strategy (MTRS) for the next three years, which provides a framework for how the Council will manage its resources over that period.

There are a number of important changes from previous years to the proposed MTRS. The most important is the context of the significantly different financial environment that the Council faces over the forthcoming period. The Department for Communities and Local Government has told us that its funding to us this year has reduced by £34m and will fall a further £17m next year. We do not have any clarity on the scale of the anticipated further reductions in 2013/14. These circumstances require us to go further to ensure that we are getting the best possible value for money from how we utilise the Council's resources.

Another key change is the relaxation of government requirements within the strategy. This has enabled the Council to propose a strategy that is more fitted to Southwark's own requirements. As a result, the strategy is both more integrated with the Council Plan than in previous years and the Council's vision of a Fairer Future For All in Southwark plays an important role.

This MTRS also has greater breadth than in previous years. It includes a section recognising the important role that the voluntary and community sector carries out as a resource in the development and delivery of local services. It also emphasises the importance of a Contracts and Procurement strategy that reduces costs, secures value for money and improves services. It is a strategy that encompasses our approach to not only our financial management and controls, but also to our assets, to our workforce and to our use of technology.

### **RECOMMENDATION**

That Cabinet:

1. Agrees the refreshed Medium Term Resources Strategy to provide the framework for the management of the Council's resources over the next three years (2011/12 to 2013/14).

## BACKGROUND INFORMATION

2. On 21 December 2010 the Cabinet received and noted a draft MTRS for 2011-14. At that time Cabinet asked that further work be undertaken in developing the MTRS, not least because of the scale of change that would be required as a result of decisions made through the Council's overall budget setting process.
3. The purpose of the MTRS is to enable the Council to make best use of financial, human, technological and other resources available and to enable the continued provision of value for money services that meet the needs of residents, businesses and other stakeholders.
4. The scale of local government grant reduction and therefore level of savings to be achieved by the Council in the next three years is unprecedented. Strengthening and updating the MTRS is therefore both timely and essential to ensure that the Council continues to achieve value for money for council tax payers and provides a fairer future for all residents. Most importantly the MTRS will provide a key reference point for the new Council Plan.
5. This report now sets out a final MTRS for 2011/12 to 2013/14 (Appendix 1).

## KEY ISSUES FOR CONSIDERATION

6. Council services that support all major policy objectives and priorities as set out in the Council Plan are delivered using any number of a range of different resources.
7. This year's MTRS 2011/12 - 2013/14 has been developed in the context of a considerably different financial environment to previous years. The Council now operates under significantly different funding arrangements, with a two year funding settlement providing greater levels of uncertainty going forward.
8. This MTRS recognises the importance of integrating the voluntary and community sector into the development and delivery of local services. It also emphasises the importance of a Contracts and Procurement strategy that reduces costs, secures value for money and improves services. This MTRS is more broadly based, focussing on securing local objectives articulated in 'A Fairer future for all' and is more integrated within the objectives of the Council Plan 2011 - 2014.
9. As an organisation with a £1billion turnover it is important that the Council has an effective framework in place within which to manage its resources. The key resources are:
  - **Financial** - *our resources are limited, we must manage within agreed budgets, have effective financial controls in place and plan for the long term so that we can be trusted to spend public money wisely and well.*
  - **Workforce** - *our most important resource is our people, we want to remain an employer of choice and have a workforce that is equipped with the skills necessary to provide quality services now and in the future.*

- **Assets** - *our corporate property portfolio must be appropriate, fit for purpose and affordable and we must use the Council's estate effectively to achieve better quality services across the borough.*
  - **Voluntary and Community Sector (VCS)** – *the VCS is rich and diverse, we must work in collaboration with the VCS to shape the services our residents use and to support the local community in improving the lives of many in the borough.*
  - **Contracts and Procurement** – *procurement is a key part of service management and successful outcomes to procurement are essential in supporting the delivery of quality services and controlling and limiting the costs of contracts.*
  - **Technology** - *technology provides us with the key opportunities to deliver high quality, universal services that are easily accessible on-line and get it right first time.*
10. There will always be a high demand on each of the key resources described above and there are difficult choices to make on the deployment of such resources. The MTRS therefore provides an essential organisational management tool to ensure resources are effectively spent on things that are identified as being important including those things that we must do to deliver our statutory obligations.
  11. The MTRS will be reviewed regularly and refreshed annually. This is to ensure that it remains fit for purpose and continues to provide the means within which to manage the resources we currently have, and plan for the future with confidence.

### **Community impact statement**

12. The report is judged to have no or little impact on the community in itself. However decisions taken as a result of agreement of the strategy and associated actions will need to be assessed in accordance with local policy requirements.

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

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

13. The Constitution provides that the Cabinet consider aspects of the control and regulation of the Council's finances. The Strategic Director for Communities, Law & Governance confirms that the three-year medium term financial strategy for 2011/12 to 2013/1314 is lawful. It satisfies the Council's duty under the Local Government Act 1999 which requires it to make arrangements to secure continuous improvement in the way its functions are exercised, by having regard to the combination of economy, efficiency and effectiveness.
14. It is in accordance with the duty under the Local Government Act 2000 to prepare a community strategy for promoting or improving economic, social, and environmental well being of the Council for the achievement of sustainable development.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Cabinet Report: Policy and Resources Strategy 2011/12-2013/14 – revenue budget	Finance and Resources 160 Tooley Street <a href="http://www.southwark.gov.uk">http://www.southwark.gov.uk</a>	Cathy Doran 020 7525 4396

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Southwark Council's Medium Term Resources Strategy (2011/12 to 2013/14)

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Finance, Resources and Community Safety	
<b>Lead Officer</b>	Duncan Whitfield - Finance Director	
<b>Report Author</b>	Stephen Gaskell – Business & Partnerships Manager	
<b>Version</b>	Final	
<b>Dated</b>	10 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Date final report sent to constitutional team</b>		10 June 2011

**APPENDIX 1**

**Medium Term  
Resources Strategy  
2011/12 – 2013/14**

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## Foreword



Southwark's strength is its people. With our immense diversity comes an array of amazing talents and vast depths of untapped potential. The Council's vision is for a "fairer future for all" in Southwark.

Having made some difficult budget decisions in the context of reduced financial resources over at least the medium term, effective planning and resource management will be crucial to meeting our collective goals.

The purpose of the Medium Term Resources Strategy (MTRS) is to enable the Council to make best use of financial, human, technological and other resources available and to enable the continued provision of value for money services that meet the needs of residents, businesses and other stakeholders.

The scale of the resource challenge in the coming years cannot be understated. Effective and efficient management of resources through a robust MTRS will be pivotal to meeting that challenge and delivering our new Council Plan.

The core principles of fairness and support to the most vulnerable were fundamental to the setting of the budget. These principles will continue to guide the MTRS and our management of resources over the coming years.

*Cllr Richard Livingstone*

*Cabinet Member for Finance, Resources and Community Safety*

## INTRODUCTION AND BACKGROUND

Council services that support all major policy objectives and priorities as set out in the Council Plan are delivered using any number of a range of different resources.

The key resources are:

- **Financial**

- *Government and other grants*
- *Council tax*
- *Fees and charges*
- *Capital finance*
- *Housing finance*
- *Financial control and anti-fraud*
- *Value for money*
- *Statutory & Regulatory duties (s151)*

- **Workforce**

- *Employees*
- *Recruitment and retention*
- *Learning and development*
- *Rewards and remuneration*
- *Mobile ways of working*

- **Assets**

- *Administrative buildings*
- *Office accommodation*
- *Operational buildings*
- *Housing stock*
- *Facilities management*
- *Commercial portfolio*
- *Health and safety and Equality Act compliance*

- **Voluntary & Community Sector**

- *Grants*
- *Partnership and compact*



- **Contracts and Procurement**
  - *Service design*
  - *Procurement*
  - *Commissioning*
  - *Supplier relationship and contract management*
  - *Market considerations*
  - *Competencies and compliance*
  
- **Technology**
  - *Business applications*
  - *IT infrastructure*
  - *Desktop*
  - *Network*

Depending upon the design of each service, all or some of these resources may be utilised to deliver agreed outcomes. Because the extent of resources is limited principally by financial constraints, the Council sets out clear priorities in order to distribute available resources effectively.

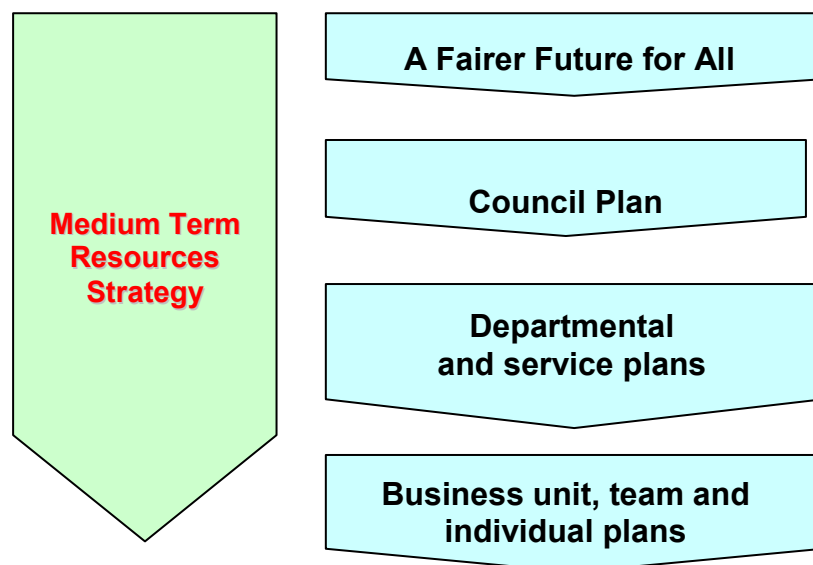
The MTRS provides a framework of underlying principles by which resources may be allocated across the Council and other relevant considerations that need to be taken into account.

Each key resource is managed centrally within the Council and has a specific strategy in place. Each strategy is designed not only to enable best practice but also to allow for innovation and most importantly to deliver the key outcomes for frontline services across the Council. These strategies are set out within this document.

The MTRS has been embedded in Council's strategic planning processes since 2008. While the strategy was developed initially in response to the government's first three year grant settlement, it has become an essential management tool in directing Council resources. It has adapted and will continue to adapt over time to changes in Council policy and other relevant factors. Most importantly the MTRS will provide a key reference point for the new Council Plan.

## IMPLEMENTATION

The MTRS and Council Plan form important components of the Council’s “business management framework”. The business management framework provides a “golden thread” linking the Council’s overarching strategy and plans such as the Council Plan to the performance of departments and individual members of staff within the Council. This ensures that there is collective responsibility across the Council for achieving the outcomes of the MTRS. The MTRS will be kept under regular review, including an annual refresh, to ensure it remains relevant to delivering the Council Plan and local priorities.



# **Section 2 – Key resources**

## **FINANCIAL MANAGEMENT AND CONTROL STRATEGY**

**Lead Department:** Finance & Resources

**Strategic Director:** Duncan Whitfield

**Lead Officer:** Jennifer Seeley

### **Context**

The Financial Management and Control Strategy sets out the financial principles of the Council and the remit within which it plans its business. The strategy is set in the context of a number of key themes, each structured to support all major policy objectives and priorities as set out in the Council Plan. The key considerations influencing key principles of the strategy are:

- Government and other grants
- Council tax
- Fees and charges
- Capital finance
- Housing finance
- Financial control and anti-fraud
- Value for money
- Statutory and regulatory duties (S151)

### **Key Outcomes**

Over the period of the MTRS we will achieve the following:

- Unqualified accounts each year.
- A balanced three year budget agreed annually.
- A robust ten year capital programme.
- A five year housing investment programme, secured and maintained.
- Collection income due to the Council is maximised.
- Appropriate levels of general and earmarked balances are maintained and contingencies to protect Council services and future risks are in place.
- Maximisation of returns from Council investments.
- Minimisation of the impact of fraud and corruption on Council business.

## **Key Principles**

The principles which underpin how finance resources will be allocated are set out below.

### **Budget setting**

- To prioritise commitments made and updated by the Cabinet and the vision to create a fairer future for all by promoting social and economic equality in an economically vibrant borough.
- To protect front-line services and support the most vulnerable people.
- To provide value for money, value for council tax payers and to contribute towards delivering the vision of creating a fairer future for all in Southwark.
- To explore alternative ways of providing a service, talking to partner organisations, the voluntary sector, the trade unions, the business community and other local authorities.
- To be transparent with any specific group or groups of users who may be affected by any cut or reduction in service provision as soon as possible, and explore with them other ways to provide the service, conducting equalities analysis for all budget proposals.
- To provide a clear and comprehensive explanation for why any service should be cut, reduced or no longer provided by the Council, and this explanation should be capable of being subject to robust challenge.
- To take a three year approach and have regard to innovative ways of providing services and maintaining employment in the borough.

### **Financial Management**

- To spend only within budgeted limits whilst sustaining and achieving performance improvement in line with strategic policies and priorities.
- To rigorously review all proposed unavoidable commitments and ensure that all possible avenues for delivery, including alternative funding, have been explored, and that the costs have been kept to the minimum required to meet statutory and contractual requirements.
- To only fund new service growth from additional, identified departmental savings.
- To underpin all Council resource allocation decisions with financial reality and health checks.

- To return all windfall benefits not planned within base budgets to central resources for corporate allocation in line with strategic priorities.

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

- To ensure that value for money is sustained and impact of spending reductions on service performance and quality is mitigated as far as effectively possible.
- To monitor and benchmark service performance relative to costs against other councils, nationally and locally.
- To ensure there is an appropriate test of value, efficiency and quality in commissioning arrangements.
- To maximise returns on cash investments while maintaining capital preservation and liquidity.
- To target sustained upper quartile performance for pension fund investments.

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

- To present balanced budgets year on year without recourse to reserves and balances except for specific earmarked projects.
- To maintain a central contingency at a sufficient level to cover demand pressures that are volatile, difficult to predict or unforeseen and cannot be reliably quantified at the time the budget is set.
- To maintain reserves and balances at a level sufficient to manage the potential risks and opportunities of the Council.
- To target an increase in general fund balances to £20m, which represents 6.25% of the Council's general fund budget of £320m for 2010/11, over the course of medium term, in line with similar local authorities in London.
- To maintain appropriate earmarked reserves to mitigate risk and smooth cost pressures arising from major Council projects and priorities, not least regeneration and development, modernisation and service improvement.
- To use the New Homes Bonus to incentivise house building by returning the benefits of growth to the community, generally through capital projects.
- To allocate to reserves any money received from relevant short-term funding streams, to meet the implementation costs of major projects.

### **Savings and efficiencies**

- To maintain a robust programme of efficiencies and other savings that is in line with local priorities.
- To invest to save on the basis of sound and robust business cases.
- To continually review the extent and costs of discretionary services or activity being provided in the context of service priorities and resources available; and explore alternative ways of providing a discretionary service or activity prior to proposing any cut or reduction.

### **Income and investments**

- To maintain the Southwark element of any council tax increases within consumer price index inflation levels over a medium term planning horizon.
- To improve council tax collection rates and non-domestic rates (NNDR) collection rates eliminating unnecessary waste identified within processes.
- To maximise external funding opportunities whilst ensuring the continuance of and further investment in key priorities.
- To achieve an effective and prioritised forward strategy when specific external funding streams cease.
- To maximise the Council's income generation by seeking income streams in line with Council policies and priorities.
- To increase discretionary fees and charges to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc) except where this conflicts with Council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients.
- To increase all fees and charges capped by statute to the maximum level the cap allows.
- To make appropriate representations to government to ensure the Council receives the fairest possible level of grant to support Southwark's population and communities.
- To act to reduce arrears overall, with particular emphasis on council tax, rent and NNDR, and seek prompt payment or payment in advance so as to improve the Council's overall cash flow position.

### **Treasury Management**

- To optimise investment income returns within the principles of "security, liquidity then yield", in line with the risk appetite and counterparty selection as set out in the Treasury Strategy report as approved by Council Assembly each year.
- To manage debt from borrowing in line with the principles of the Prudential Code and within the setting of Prudential Indicators as approved by Council Assembly each year.
- To use prudential borrowing only where business cases are agreed in accordance with the principles of the overall treasury strategy.
- To seek to reduce the cost of borrowing through debt repayment or debt refinancing where it is economically viable and affordable within the budget framework to do so.
- To set aside funds from the revenue budget to meet the cost of the repayment of debt in accordance with statutory provisos or under the requirements of the Prudential Code as implemented.
- To secure increased funding levels of the pensions fund over time to achieve 100% funding within the period recommended by actuaries.

### **Capital Programming and strategic projects (see also: Asset Management Plan)**

- 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.

### **Housing finance**

- To ensure the adoption of a balanced Housing Revenue Account (HRA) budget throughout the budget planning horizon;
- To support the provision of landlord services to residents, including planning for balance levels adequate to support the continuing provision of these services;
- To set rents at a level that optimises central government support;
- To calculate service charges for tenants to match relevant costs for particular levels of service provision;
- To establish a HRA business plan consistent with self-financing requirements from April 2012 onwards;
- To support the delivery of the housing investment programme within the context of self-financing.

### **Governance and partnerships**

- To regularly review the financial regulations and contract standing orders to ensure their robustness and continued suitability in order to safeguard the Council's assets, maximise its resources and ensure value for money.
- To ensure effective governance arrangements for all partnership agreements are in place particularly where there is a shared use of resources.
- To maintain a risk register for joint risks of all partnerships.
- To optimise the opportunities for efficiencies afforded by improved partnership working and shared services.

**Financial control and anti-fraud**

- To review controls, systems and processes and ensure proposals for improvement following fraud loss are robust.
- To promote efficiencies to tackle fraud through collaborative, partnership and regional partnership working.
- To share information and good practice with key stakeholders, within statutory guidelines in the interest of preventing and detecting fraud. This will include continuing to undertake statutory data matching across all relevant service areas.
- To ensure a systematic and comprehensive approach to fraud prevention across all service provision.
- To promote ethical behaviour and raise fraud awareness.
- To promote a zero tolerance approach towards fraud which ensures dishonesty is dealt with firmly and consistently.
- To constantly keep under review key fraud risks so that fraud exposure is minimised.
- To enhance the effectiveness of the anti-fraud service through maximising and reinvesting losses recovered.
- To successfully manage operational demand through times of change.
- To conduct professional investigations in line with the changing statutory environment and requirements.
- To minimise fraud risk across all service provision through the effective provision of advice and support.
- To ensure continued fitness for purpose in the prevention and detection of fraud through regular and rigorous review of policies, procedures and working practices.

## **WORKFORCE STRATEGY**

**Lead Department:** Deputy Chief Executive's

**Strategic Director:** Eleanor Kelly

**Lead Officer:** Bernard Nawrat

### **Context**

The Council is operating in an environment which will require a significant reduction in posts arising from the general fund savings programme. In implementing these savings the Council will look first at existing vacant posts, agency / temporary staff cover, as well as natural wastage. The Council has tried and tested procedures to manage workforce change and there will be greater emphasis on the redeployment process, supporting staff and in mitigating redundancies.

### **Key Outcomes**

Over the period of the MTRS we will achieve the following:

- The Council remains an employer of choice.
- Staff are equipped with skills to manage the organisation through a period of significant change.
- A talented and diverse workforce is retained and developed.
- Efficiencies and service improvements are achieved through embedding flexible working practices throughout the organisation.

### **Key Principles**

There are some underlying principles that the Council will aim to maintain through this period of significant change whilst trying to meet financial challenges through collective means. These principles are:

- To aim to maintain our standing as a good employer and as an employer of choice.
- To continue to provide opportunities to refresh the workforce through apprentices, trainees etc. and employ high quality specialist staff to critical hard to fill roles, particularly as recruitment is curtailed.

- To implement a framework for managing and learning from change process, overcoming barriers and emphasising the positive aspects.
- To undertake equality analysis at all critical stages of the change process.
- To encourage innovation and technological opportunities where these best deliver intended outcomes.
- To continue to invest in learning and development and provide accessible, targeted and high quality corporate learning, targeting skills maximisation, leadership capacity and nurturing career development.
- To sustain a remuneration strategy that supports organisational objectives and is affordable, perceived as fair and retains a diverse motivated workforce.
- To review top pay in line with Hutton inquiry report and review the application of terms and conditions and discretionary elements to ensure they are contemporary and fit for purpose.
- To promote innovation and voluntary schemes which contribute to the reduction of the overall pay bill for example through flexible working, flexible retirement; and to facilitate fast track approval.
- To continue to make progress in key areas of sickness management and agency controls.
- To maximise opportunities for redeployment utilising the existing workforce positively for future needs.
- To ensure all staff employed by the Council are employed at or above the London living wage.

## **ASSET MANAGEMENT PLAN**

**Lead Department:** Deputy Chief Executive's

**Strategic Director:** Eleanor Kelly

**Lead Officer/s:** Steve Platts / Matthew Jackson

### **Context**

Built around the objective of delivering corporate priorities from available resources as efficiently as possible, the refreshed Asset Management Plan (AMP) establishes a framework for rationalisation across the Council's £3 billion corporate asset base and for achieving sustainability in the retained portfolio.

The overriding objective of the AMP is to achieve a corporate portfolio of property assets that is appropriate, fit for purpose and affordable. In turn the estate will contribute to improving operational and service delivery outcomes.

Much of course has changed in the public sector resources environment over the last few years. Therefore the AMP seeks to fully address the pressures of escalating property holding costs, and mounting financial constraints on the public sector purse. The Council's estate and those across the public sector (including those of our operating partners) will emerge very significantly altered and our overall vision is to plan for a smaller, sustainable corporate estate.

### **Key Outcomes**

Over the period of the MTRS we will achieve a property estate that:

- Is treated as a corporate resource and is managed corporately;
- Supports the delivery of the council plan;
- Is well maintained and fit for purpose (i.e. delivering services);
- Is fully utilised;
- Is suitably located and accessible;
- Is cost effective and represents a value for money return on the Council's investment.

## **Key Principles**

The principles which underpin how the Council's assets are managed are set out below.

### **Corporate & Operational**

- To achieve a corporate portfolio that is appropriate, fit for purpose, affordable and which contributes to improving operational and service delivery outcomes i.e. (sustainable; efficient; value for money).
- To ensure strategic planning of the estate is fully integrated into the Council's business planning processes.
- To proactively mitigate the affects of the market downturn whilst reconciling this with the strategic objectives of the Council.
- To consolidate property management arrangements at strategic and operational levels.
- To manage our estate in accordance with our obligations as a landlord and with regard to all relevant health and safety / statutory compliance requirements;
- To constantly review and monitor the operational estate to achieve portfolio objectives, including the maximisation of opportunities and efficiencies from the Council's occupation of 160 Tooley Street.
- To successfully manage operational demand for corporate accommodation arising from extensive restructuring across the organisation and the ongoing drive towards modernise.
- To provide flexible solutions to operational requirements to allow for changing future demands in the operational estate (including through exit strategies).
- To respond to changing demand for property services from all parts of the organisation; balancing those demands against the resources available.
- To promote collaborative/partnership working to provide efficiencies, either through occupational, operational or procurement arrangements.
- To promote high environmental sustainability in both existing buildings and in procurement of new assets in order to minimise costs in use and emissions.

### **Arrangements for Asset Management**

- To ensure the provision of effective, professional property advice in support of departmental strategic objectives;
- To raise the profile of asset management planning corporately and operationally across the authority and reinforce the role of the Corporate Property Officer;

- To renew and reinforce structures for asset management planning at a corporate level;
- To ensure property strategies in support of corporate objectives are properly resourced and programmed;
- To review and refine systems, data, and performance management arrangements in order to fulfil the growing client expectations;
- To safeguard the Council's legal position with regard to its land holdings by completing a comprehensive review and registration of title programmes.

### **Regeneration**

- To contribute to key regeneration projects through acquisition and disposal activity, rent and lease renewal strategies, and use of compulsory purchase order powers where appropriate.

### **Investment Assets**

- To challenge reasons for holding investment property and monitor investment returns and performance;
- To manage rent reviews and lease renewals to maximise revenue income;
- To take appropriate action to minimise the arrears of rent;
- To proactively manage the investment portfolio to ensure compliance with lease terms and protect/enhance value.

### **The Voluntary & Community Sector Estate**

- To finalise a detailed Asset Management Plan in 2011 for managing voluntary and community sector assets owned by the Council, building on the previous strategy framework of 2009.

### **Surplus Properties and Disposal**

- To deliver challenging capital receipt targets whilst maintaining best consideration principles and balancing revenue requirements.

### **Facilities Management**

- To maintain a sustainable corporate estate and preserve its inherent investment and utility value. This will be delivered through comprehensive facilities management arrangements and a planned preventative maintenance programme;

- To put in place a full condition survey programme for the operational estate;
- To improve stock condition and minimise backlog maintenance;
- To ensure statutory compliance and minimise facilities exposure to risk;
- To rationalise and repackage facilities management contracts to achieve management efficiencies, economies of scale and mitigation of corporate landlord compliance risk;
- To consolidate facilities management budgets providing total cost of occupancy to support strategic asset management;
- To undertake informed outsourcing based on fixed price repairs and maintenance bringing significant cost certainty and increasing transfer of risk to the supply side;
- To continue the delivery of the corporate compliance programme, working toward best practice allowing effective and transparent management of risk.



# VOLUNTARY AND COMMUNITY SECTOR STRATEGY

**Lead Department:** Communities, Law and Governance

**Strategic Director:** Deborah Collins

**Lead Officer/s:** Stephen Douglass

## **Context**

The voluntary and community sector (VCS) has an essential role to play in Southwark. In the coming years the role of VCS organisations will be increasingly important to ensure that our most vulnerable residents are not left behind. To do this in the current financial climate the Council and the VCS will together have to change and modernise the way we work and draw upon the expertise and experience that exists across all our partners.

The Council has a history of promoting greater engagement by the community however the resource environment is now much tighter than in recent years. The community must now be encouraged to seek opportunities for widening this engagement and meeting the challenge that sits alongside the loss of financial resources. The fundamental principle is about change that has collaboration at its heart. We will work to build on the strong relationship we have developed with the VCS to shape the services our residents use and help tackle the problems facing the local community.

Work will continue on the key principles of relationship between the Council and VCS to ensure that they are fit for purpose and robust. Keeping the principles under review will assist in the delivery of activities involving partnership working between the Council and the VCS.

## **Key Outcomes**

Over the period of the MTRS we will work in partnership with the VCS to achieve:

- A modernised relationship between the Council and the VCS that supports the delivery of efficient public services.
- A self-sustaining sector that enables local organisations to find new ways of accessing funding, resources, and support.

- Modern and streamlined commissioning processes that reduce transactional costs for the Council and the VCS, provide value for money and clear outcomes for our communities.

### **Key Principles**

The principles which underpin the Council's approach to the VCS is set out below;

- To work with partners to reconfigure and redesign public services to meet the needs of the most vulnerable in future.
- To work with the VCS to develop public services which are efficient and effective.
- To reduce the burdens on the Council and the sector that are imposed through commissioning relationships by removing unnecessary barriers and streamlining commissioning processes so as to minimise transaction costs.
- To further promote the social benefits that come from having a strong relationship with the VCS community.
- To reduce cost by working in more efficient ways with the sector to support a programme of VCS modernisation.
- To ensure that the impact of the cuts on frontline service provision is minimised by helping to develop a strong independent VCS ready to face the challenges of the future.
- To promote and encourage the sharing of VCS back office costs and collaboration and merger where it is appropriate and best to do so.
- To better understand the overall funding landscape of the VCS sector and how Council funding helps to lever funds from other sources.
- To work with the VCS to maximise resources and support from a wide range of sources in order to ensure the sustainability of the sector enabling local organisations to find new ways of accessing funding, resources, and support.
- To support the VCS in developing the most effective and the best value for money services. Finding better ways of measuring outcomes for our residents so that we know what is being achieved not just what is being done.
- To ensure that the VCS is supported in the development of business plans, fundraising strategies and future funding bids that leads to self-sustaining financial and other key resource outcomes. We will also work with our VCS partners to develop volunteering and local philanthropy.

- To actively encourage the development of initiatives that will support third sector organisations to engage with the personalisation agenda.
- To encourage and support, where possible and viable, new models of service provision, innovation, resource activity that also more effectively and efficiently realise savings over the medium term planning period.
- To take an approach that strengthens the resilience of the sector by finding new or better ways of supporting our local VCS that go beyond the financial. This may for example include how we use our property portfolio to supports the VCS to achieve self-sustainability and take advantage of regeneration and development opportunities to find new ways of improving and providing community spaces that are efficient and fit for purpose.

## CONTRACTS AND PROCUREMENT STRATEGY

**Lead Department:** Finance & Resources

**Strategic Director:** Duncan Whitfield

**Lead Officer:** John Chance

### Context

The aim of the Contracts and Procurement Strategy is to ensure that the Council takes the right steps when:

- Identifying service needs and options for the ways in which these may be best delivered;
- Procurement of these services where contracting is the preferred option; and
- Management and monitoring and commissioning of contracts that have been awarded.

Where contracting with external suppliers is the preferred vehicle for providing services, this must be successful in meeting defined service objectives, meet the commitments of the Council Plan and achieve value for money.

Procurement, contract management and commissioning remains a critical element of the Council's efficiency programme and budget plan, alongside issues of people, property and process. All cost reductions and efficiencies must be considered in the context of the need to maintain the most appropriate service levels, protection of the Council's statutory and regulatory functions and the needs for customer satisfaction. The Finance and Resources department will therefore continue to review procurement arrangements across the Council to secure products and services that provide value for money.

## **Key Outcomes**

Over the period of the MTRS we will achieve the following through procurement, commissioning and contract management:

- Maintain a clear and unambiguous understanding of current and future service needs.
- Provide contracts that deliver quality services at an affordable cost.
- Sustain a joint passion with our contractors for customer service and satisfaction.
- Commit to contracts that achieve a *right first time* approach to service delivery.
- Continually improve through collaboration and partnership working with contractors.
- Facilitate and promote innovation through procurement, contract management and commissioning.
- Procure and management contracts in a way that is fair to local businesses and to their employees.
- In real and recognised terms, be known as a good organisation to do business with.

## **Key Principles**

In achieving these outcomes, the Council's contracts and procurement function will continually refer to following key principles:

### **Value for Money**

- To recognise the balance between price and quality and the relative importance of both.
- To get best value from contracted services through :
  - Challenge of procurement arrangements and seeking opportunities to reduce price, improve quality and maximise efficiency.
  - Delivery of service solutions that are future proof.
  - Understanding distinction between essential and non essential service needs and the impacts on cost.
  - Decisions supported by comprehensive and robust data.
  - Whole life analysis of options and assessment of risks.

- To improve contract management by continuously improving and learning from experience of 'relationship management'.
- To achieve continuous improvement from all areas of procurement expenditure by having a procurement strategy that is 'living' and ensuring that all procurement activity is undertaken by informed managers supported by professional procurement staff.
- To increase the utilisation of e-procurement facilities to deliver process and procurement savings.
- To continue joint procurement of services with other councils where such arrangements deliver value for money and improved services.

### **Good Governance, Effective Process and Competencies**

- To ensure all procurement practices are legal, ethical and transparent, conforming to procurement legislation and regulation and robust enough to meet the challenge of external scrutiny.
- To ensure that the Council's governance arrangements are appropriate to meet the principles of openness and accountability.
- To maintain a model where service directors are accountable for the delivery of service definition, procurement, commissioning and contract monitoring.
- To provide specialist support, advice and leadership as appropriate.
- To have clear, unambiguous and sufficiently flexible operational arrangements that respond to service needs, reduce red tape and protect statutory and regulatory responsibilities of the Council.
- To promote a climate of corporate compliance supported by appropriate staff competencies in procurement, contract management and commissioning.

### **Support and Advice**

- To provide high quality guidance, support, documentation and awareness sessions for service managers and their staff engaged in procurement processes.
- To ensure all procurement process projects follow standard project and risk management procedures appropriate for the size and complexity of the procurement.
- To reduce the costs of procurement process and the time it takes by taking a planned and co-ordinated approach that is efficient, effective and streamlined and avoids duplication and waste.

- To ensure existing contracts, frameworks and internal and external procurement vehicles such as the Local Education Partnership are utilised to reduce procurement costs.

### **Social Considerations**

- To demonstrate improvement in the equality of opportunity and the promotion of good relationships between people within a diverse community in all procurement activity.
- To ensure that all procurement considers the environment and where appropriate includes evaluation models that take into account the Council's sustainability objectives.
- To develop socially responsible specifications and to seek to realise social, environmental and community benefits through procurement.
- To create a basis for assessing social, environmental and community benefits within the process for evaluating contracts where it is both affordable and legal to do so.

### **Market Considerations**

- To work with current suppliers and contractors to explore opportunities for bringing benefits to the local community and employment, including application of the London Living Wage.
- To operate a mixed economy of service provision with ready access to a diverse, competitive range of suppliers providing quality services, (including small firms, social enterprises, minority businesses, and voluntary and community sector groups), and wherever possible encourage local sourcing and local employment.
- To promote the concept of the London Living Wage not only within Council contracts but also with those businesses and employers working in Southwark.
- To build good relations with suppliers and making Southwark an organisation of preferred choice for companies of all types.
- To ensure that good communications exist with suppliers before, during and after procurement processes.
- To be 'open and transparent' treating all potential suppliers both 'fairly' and equally during tender processes
- To make available contract and tender applications on the Council website.

**Contracts fit for purpose**

- To secure an open and honest approach to relationship management.
- To ensure good communication exist with contractors and that respective roles and responsibilities are clear.
- To share objectives for service outcomes.
- To continually develop contracts through formal and informal management of relationships, including variations to reflect changing need and innovation.



## **TECHNOLOGY STRATEGY**

**Lead Department:** Finance & Resources

**Strategic Director:** Duncan Whitfield

**Lead Officer/s:** Bill Cottrell

### **Context**

This strategy is in a transitional phase. Options are being considered for the future support and management of the IT service, especially that which is presently provided through existing contracts in the context of new and emerging technologies, such as cloud computing.

Exploiting the opportunities provided by technology remains integral to the Council's drive to deliver essential high quality, universal services that get it right first time and reduce waste and duplication.

The effective use of technology – along with change management, process redesign and training - is fundamental to achieving service wide improvement in a time of resource restraint. Southwark is committed to exploring the use of technology to the advantage of its citizens, wherever the resulting business benefits are justified by the investments required, and wherever the organisation needs to deliver service excellence.

The Technology Strategy will be revised as the Council transforms specifically in response to reductions in funding across all services and to changes in functions, activities and delivery models that this will create. Significant investment however will be required in technology to ensure that key business applications are responsive to service needs, and to enable and facilitate better service delivery at an affordable cost.

### **Key Outcomes**

Over the period of the MTRS we will achieve the following:

- Services kept operational
- Improve supplier relationships

- Improve supplier performance
- Enhance customer relationship and involvement

### **Key Principles**

The principles which underpin the Council's strategy around technology will continue to be reviewed and currently include:

- To keep information services operational.
- To realise the potential of existing systems through the effective implementation of changes to the infrastructure;
- To improve the delivery and cost of services through the effective use of technology;
- To have the technology which enables the sharing of data and information so that sound decisions can be made and processes can be streamlined;
- To enable residents increased access to services within the borough by improved on-line and interactive provision;
- To maximise output from contracted outsource providers;
- To improve supplier relationships and improve stakeholder management in IS delivery.

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Re-provision of library including a resource centre for Camberwell	
<b>Ward(s) or groups affected:</b>		Camberwell Community Council	
<b>Cabinet Member:</b>		Councillor Peter John, Leader of the Council	

### **FOREWORD – COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL**

This council is committed to the regeneration and renewal of Camberwell. One of the most visible signs of that regeneration will be the creation of a vibrant ‘town centre’ at Camberwell Green. We are working to bring forward plans which will deal with some of the transport and retail opportunities necessary to achieve that ‘town centre’ ambition, but believe that one of the roles which the council can play is the provision of a library which meets the aspirations of local residents in the 21<sup>st</sup> century.

At the same time as we pursue our plans for regeneration the council has continued to implement its’ accommodation strategy; bringing together employees and services spread across many different offices in the borough into two principal offices. The first of these at 160 Tooley Street opened in 2009, and the second at Queen’s Road, Peckham, will open in 2012/13. This strategy has meant that the council’s presence in Camberwell has been reduced.

By pursuing the proposal in this report we can meet the twin objectives of providing a new library for Camberwell and a facility where residents can access other council services, demonstrating a clear and visible presence and commitment for Southwark Council in the heart of Camberwell.

A full consultation has taken place on this proposal and there appears to be strong support amongst both local residents and current library users. There is also a sound business case for this project as there are significant revenue cost savings linked to relocating from the current unsatisfactory library premises.

I recommend the proposals set out in the report below.

### **RECOMMENDATIONS**

That the Cabinet:

1. Approves the re-provision of premises for the Camberwell library, which will include a new resource centre and be located on the site in front of the Magistrates’ Court.
2. Notes the allocation of a capital budget for this project as part of the Modernise 2 programme.

## BACKGROUND INFORMATION

3. In November 2010, the Cabinet agreed a revised Office Accommodation Strategy focusing on providing a fit for purpose environment for staff and visitors; an improved standard of access and quality of accommodation for council services; a reduction in the council's CO<sub>2</sub> emissions; a reduction in the high costs of maintaining a widely spread and ageing office estate; and the generation of capital receipts through office disposals for reinvestment in council priorities.
4. The strategy recognised that the council in the future would have a limited physical presence in the Camberwell area, especially as the Harris Street Area Housing office site, which currently provides front desk services for the Camberwell Area, is due for demolition as part of the Elmington Estate regeneration scheme.
5. The strategy also noted that the Pavilion building which currently houses the Bermondsey One Stop Shop would be surplus from late 2011 and instructs officers to develop proposals for the relocation of this building currently to Camberwell through a full investigation of potential sites, including D'Eynsford Road, integration with wider plans for regeneration in Camberwell, following a complete needs analysis and consultation.
6. An officers' working group has been established and has considered the requirements for the delivery of services in Camberwell. The most pressing requirement for the re-provision of accommodation was identified as for the library and officers have investigated the option of relocating the library from its current premises. Additional future requirements are expected to be access to council customer service channels and an element of customer service provision for housing customers. There were also opportunities for providing space for other public sector partners to meet the public. The co-location of the library with other services has therefore been considered.
7. The feasibility of using part of the space for a cafe or arts including exhibitions and sale of art work is also being progressed through discussions with local providers including the Camberwell College of Arts
8. The current library (shown edged red on the plan at Appendix 1) operates from three rented shop units on Camberwell Church Street. The accommodation is spread over four floors in three buildings, the upper parts of which are under utilised. The children's' library operates from the basement which has no natural light or disabled access and is prone to damp. The offices and staff facilities are at first and second floor level, accessed through a separate door from the street. This makes the management of the library difficult and there are safety issues with cash being taken upstairs at the end of the day.
9. As noted in the Office Accommodation Strategy, the council has the opportunity to reuse a building that currently houses the One Stop Shop in Bermondsey and which is now surplus to requirements. This building is a single storey structure that could provide suitable accommodation for a new library and shared resource centre. ( photograph shown at Appendix 2)
10. The council own the freehold interest in the square in front of the Magistrates' Court ( shown edged blue on the plan at Appendix 1 and in the photograph at

Appendix 2) This is large open space with a fenced area of trees and shrubs known as Camberwell Orchard.

11. Other options for the re-provision of the library in premises that are outside of the council's ownership have also been considered. There are a number of current planning applications for schemes in Camberwell that include an element of commercial space. These include 272-274 / 294-304 Camberwell Road and 315-317 Camberwell New Road (the old snooker hall). (Shown edged red on the plan at Appendix 3) Although these schemes have a commercial element and might be able to accommodate the library they are further from the main shopping area of Camberwell on the other side of Camberwell Road.. The timescales for these developments are unclear and could be many years in the future. In addition it is likely that the council would have to pay a commercial rent for the space.
12. Initial feasibility work has been carried out on the proposal for a building on the Magistrates' Court site and option of relocating the Bermondsey One Stop Shop building to Camberwell, This is considered practical as this building is still in good condition and is of an appropriate size and design to be accommodated in the proposed location outside of the Magistrates Court.
13. A full public consultation on the proposals has now been completed. This included a paper and on-line questionnaire, stalls at local events, sessions with library groups and other local stakeholders and a presentation at Community Council. The consultation started on 14 March and finished on 21 April. Over 400 questionnaires were returned and there was broad support for the proposal to re-provide the library on the Magistrates Court site. A more detailed analysis is set out in paragraphs 30-37 of this report.
14. The capital budget to fund this project was allocated in the Revised Office Accommodation strategy report to the Cabinet meeting held on 23 November 2010.

## **KEY ISSUES FOR CONSIDERATION**

### **The council's approach to regeneration in Camberwell**

15. The council is committed to supporting the regeneration of Camberwell. Aspirations include improved council services, new and refurbished public realm, better housing and providing support for local businesses to improve the town centre as a shopping and leisure destination.
16. The potential for regeneration in Camberwell was reported to the Scrutiny Committee in January 2009. The sub-committee also accepted the view that the location of the library is less than ideal and that, when an opportunity arises, serious consideration should be given to its relocation. The recommendation was that 'The library is a key facility and should be linked with the town centre. It should be a factor for inclusion in any future developments in the area'.
17. In consultation with members, officers have developed a new approach to the coordination of council activity and initiatives in Camberwell. The development team led by Economic Development brings together all officers who are leading on projects in the town centre and wider Community Council area to ensure joined-up working in consultation, project development, implementation and delivery. The development team reports back regularly to Members and through Community Council.

18. The first phase of the regeneration has included the refurbishment of part of the Leisure Centre which was completed earlier this year and was formally opened in March.
19. TfL have approved and funded a feasibility study on improvements to the road layout and public realm in Camberwell. The feasibility study and option development is the first stage in the process towards securing capital funding from the scheme from TfL. The scheme aims to reduce pedestrian congestion, improve crossing opportunities, reduce street clutter, and review bus operation in the town centre including bus stops. Consultation will start on this later in 2011.
20. In the meantime, £100,000 has been secured to deliver small-scale transport and public realm improvements to the town centre area, including removal of unnecessary signage, bins or railings, and provision of cycle parking or ramps.
21. Officers within the Community Safety team, licensing unit, have been exploring options for improving the evening and night-time economy within Camberwell town centre, including taking steps towards 'Purple Flag' accreditation.
22. Cabinet approved a comprehensive regeneration strategy for the refurbishment and redevelopment of the Elmington Estate on 22 March 2011. Phase 1 comprising 136 new Council homes has been completed and two large vacant sites have been sold, subject to contract, to Notting Hill Housing Trust on the basis that the sites are redeveloped for mixed tenure schemes. The disposal of a further four sites was agreed as part of the strategy and five blocks will be refurbished in the Council's new Housing Investment Programme
23. Consultation is also planned on the development of an Area Action Plan Supplementary Planning Document (SPD) for Camberwell that will set the framework for the future development of this area.
24. There is a long held local aspiration for new community facility in Camberwell. The re-provision of the library together with a resource centre in Camberwell as a second phase, links with these proposals and the wider regeneration of the town centre.
25. The Magistrates' Court Square is part an important pedestrian route to the centre of Camberwell from housing estates to the north and east of the town centre and improvements to the public realm would encourage more people to walk through and use Camberwell Green. The project would link with improvements to the public realm that are planned through the TfL funded scheme.
26. The proposal also offers opportunities for the development of arts projects that could include exhibitions and possible sale of work.
27. The development of the site outside the Magistrates Court would also work well with new monthly markets on Camberwell Green and encourage more people to use this space.
28. This proposal would enable the council to create a significant presence in Camberwell which could offer a range of services to local residents.

## Report on the consultation

29. The consultation questionnaire asked people for their views on how they would like to use the library, what was important in developing the open space around the library and for any comments on the proposal.
30. There was a good response to the consultation and 437 people completed either the on-line or paper questionnaire
31. Sessions were held with 7 library groups including the book group, toddler groups and sessions for older people. Library users were able to ask officers about the proposals.
32. There were stands at the opening of the Leisure Centre and the Farmers Market where local residents were able to see the proposals and ask any questions before completing the questionnaire. A session was also held with young people from St Michael's and All Angels School and Southwark Refugee Community Forum supported residents in completing the form.
33. Questionnaires were sent to all the local TRAs, Camberwell College of Arts, local Doctors surgeries and the Southwark Pensioners.
34. A more detailed analysis is shown in Appendix 4 but the key points were
  - Respondents completed the majority of the questions about how they use the library and what additional services they would use.
  - Just under half of the people commented on particular things they would like to see included – more plants, a cafe, exhibition space, children's play, table tennis and better toilets were all mentioned.
  - A similar number – 197 people - also made additional comments on the proposal for the re-provision of the library outside the Magistrates Court
  - Of these 67% supported this idea, commenting that it was a good idea.
  - A further 16% were broadly supportive but asked that the Council made sure that as many of the trees as possible were protected.
  - 17% of those who commented or 9% of the overall respondents – 33 people - had concerns about the proposals, either because they think that the library should stay where it is and/or have concerns about the use of the Magistrates Court Square for a new building and the reuse of the Bermondsey One Stop Shop.
  - Their reasons included concerns about losing the green space; about the life span of the One Stop Shop building and its suitability for this site; how the design of the landscaping would be developed to deal with issues such as safety and general concerns about whether the proposal is good value for money
35. A presentation was made to Community Council on 20 April and the general comments were supportive with a small number of people raising concerns.
36. Overall the consultation shows there is strong local support for the proposal. However a number of valid points were identified that will need to be addressed as part of the design development.

### **The business case for moving the library**

37. To provide a full service to residents the library would be on one level with full disabled access – this cannot be achieved in the current premises. If the library remains in its current building there are limited options for the development of the service or link to other council service provision.
38. There are revenue cost savings resulting from relocating from the current library premises. The current library premises are leased from 3 different commercial landlords at a total current rent of £83,500 p.a.
39. All three leases expire over the next 4 years and the option of either surrender or assignment is being investigated. Two of the units have substantial upper parts that would convert to residential use. The units are well located in the centre of Camberwell so it may be possible to attract a good quality tenant to take this space as there is a low vacancy rate in the central area.
40. There would obviously be no rental payable on the new building and the business rates should be lower as they would be based on a community/office use rather than retail use.
41. The premises would also be more efficient both in terms of energy consumption and staffing. Staff will be deployed more efficiently to assist the public in their use of the library and to support their easy access to council information.
42. It is also hoped that the library could then generate some income via hire of the meeting spaces and it may be economic to provide a café which may promote higher take up of service by the local community.. A cafe was strongly supported by people who responded to the consultation.
43. The library would be more welcoming and accessible to the community and easier to use as it will be at ground floor level and open plan. There would also be the opportunity to include a provision for disabled parking. At John Harvard Library, visits have increased by 26% since the refurbishment in 2009.
44. Addressing the identified need in Camberwell to provide a customer access point and to re-provide the library forms a key part of the Modernise 2 strategy and both can be achieved using this structure.
45. The re-provision of the library in more flexible premises could provide access to council customer service channels. It could also provide an opportunity to provide flexible work space and meeting rooms that could be used by council officers and Members to work and meet with local residents in the south of the borough. Discussions are under way with public sector partners, housing and customer services on the options, but the space can be designed to be flexible enough to deal with a range of users.
46. The option of converting the existing library has been considered but is not considered cost effective or practical. A significant investment would be required to provide a lift between ground floor and basement and this would also lose a large amount of floor space in an already cramped facility. The upper floors would still not be accessible and the council would need to remove the lift out at the end of the leases.



### Proposed procurement route

47. Design development will be procured through external consultants and this work has been tendered and an appointment will be made following approval of a Gateway 2.
48. The first action under this appointment shall be to carry out further feasibility, carrying out site investigations and confirming the project brief and also comparing the costs and benefits of delivering a new structure with those of the relocation of the One Stop Shop Building. The most cost effective option would then be progressed within the agreed budget.
49. Other required professional services will be procured through the invitation of tenders from the council's approved list or existing framework arrangements.
50. If this report is approved it is proposed that a planning application will be submitted in August 2011 following further public consultation on the proposals.
51. It is proposed at this stage that the construction work will be procured under a two stage design and build form of contract.

### Timescales

52. If Members decide to proceed with this project, a planning application would be submitted in September 2011. The construction work would be tendered and if consent was obtained works would start in at the end of the year. The new library would open autumn 2012.

### Policy implications

53. This proposal is linked to the key council priorities set out in Southwark 2016: Sustainable Community Strategy through all three of the objectives
  - *Improving individual life chances*: the objective is for Southwark's people to achieve their educational potential and enjoy cultural and leisure opportunities. A new library with improved facilities for all ages will encourage the increased use of the library in Camberwell - there is a specific commitment to generally improve the use of libraries in the borough in the Plan
  - *Making the borough a better place for people*: the objective is to make Southwark a place that has a sustainable use of resources and a safe, clean and liveable public realm. This proposal will create a more energy efficient building than the current library and improve an area of public realm so that it can be used and enjoyed by local people.
  - *Delivering quality public services*: the objective is to provide services that are accessible and integrated, customer focused, efficient and modern. The proposal for a new library and resource centre where Council services could be delivered in an integrated and modern way, making the best possible use of technology, supports this objective.

54. This proposal is also linked to the priorities of the Council both to regenerate Camberwell and also to make regeneration work for the community.

### **Community impact statement**

55. This project will improve access to library facilities for people of all ages but especially for families and children. In the current library the children's area is in the basement and parents and carers have to leave their buggies in the main library before carrying the children downstairs. The building will be all on one floor and will provide full access for all users including wheelchair users.
56. The construction of this facility will involve the removal of some trees and the reconfiguration of the Camberwell Orchard – an area of trees and shrubs behind a small fence in the Magistrates Court Square. Plants and trees would be replaced in a new planting scheme which could, if there was local support, include an ecology garden. There would be further consultation on this as part of the planning process.

### **Resourcing implications**

57. The project management will be carried out by staff in the current property team and the project manager would lead a team of officers to deliver the project.
58. The project manager would report into the Modernise 2 Programme and update the Libraries Board on progress against planned milestones and budget throughout the delivery of the project.

### **Legal and financial implications**

59. The freehold interest in the site outside the Magistrates Court site is held freehold by the council and there are no covenants restricting the use of the site or its development
60. An allowance has been made in the Modernise 2 programme for the re-provision of the library including a resource centre in Camberwell.
61. The procurement of the design work and construction work will be approved through the usual Gateway reporting process.

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

62. There are a number of risks associated with this project in line with all construction work. If the project is approved a detailed risk log will be maintained throughout and managed through the usual departmental procedures
63. Inadequate brief means that design does not meet users' needs and the public realm proposals do not deal with issues such as safety and the relationship to neighbouring road and The Green – Medium Risk. Mitigation: ensure full local consultation and that the brief is signed off by Library Services and Public Realm departments and they are fully involved in the development of the design
64. Design development proceeds without regards to budgetary constraints. Medium Risk. Mitigation: Quantity Surveyor employed at outset to check costs at each stage of design development.

65. Delays to programme -Medium Risk. Mitigation: designers and contractors will be expected to supply evidence of successful completion of similar projects and there will be on-time penalties for delayed delivery.

### **Consultation**

66. There has been a full public consultation on this proposal as described above.
67. Further consultation will be held with local stakeholders as part of the planning process.

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

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

68. The report recommends approval of a proposal to site a combined library and other resource facility on part of the courtyard/square in front of the Magistrates Court at Camberwell Green off D'Eynsford Road London SE5. This land is already owned by the London Borough of Southwark and is held freehold.
69. The council would not need to acquire any land in order to build here but may be necessary to appropriate the land from one department to another. A power to appropriate land is given to the council by section 122 of the Local Government Act 1972 in a situation where the council would be authorised to acquire the land by agreement and where the land concerned is no longer required for the purpose for which it is held. It should be noted that any such appropriation would be subject to the rights of the public or any third parties over the land in existence at the date of the appropriation. If the land concerned is an open space then a pre-notice procedure would need to be followed
70. Section 2 of the Local Government Act 2000 gives council the power to do anything which they consider likely to promote or improve the economic, social or environmental well being of their area. The power can be exercised to or for the benefit of the whole or any part of the council's area. If the Cabinet is satisfied that this proposal would promote or improve the economic or social or environmental well being of the area in which the proposed new library and resource centre is to be situated they may approve the recommendation
71. If approval is given, it will be, as noted in the Report, necessary for a procurement strategy to be implemented and approval from the relevant authority within the council obtained

#### **Finance Director**

72. This report recommends the approval of a project for the re-provision of premises for the Camberwell library, which will include a new resource centre and be located on the site in front of the Magistrate's Court, and notes the allocation of a capital budget for this project as part of the Modernise 2 programme
73. The Modernise 2 strategy badged as the revised office accommodation strategy, was approved by cabinet on 23 November 2010. The strategy included an indicative budget allocation for the pavilion relocation.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Cabinet Papers 23 November 2010	160 Tooley Street, London SE1 2QH	Jane Seymour x54907
Consultation report and data	160 Tooley Street, London SE1 2QH	Jane Seymour

**APPENDICES**

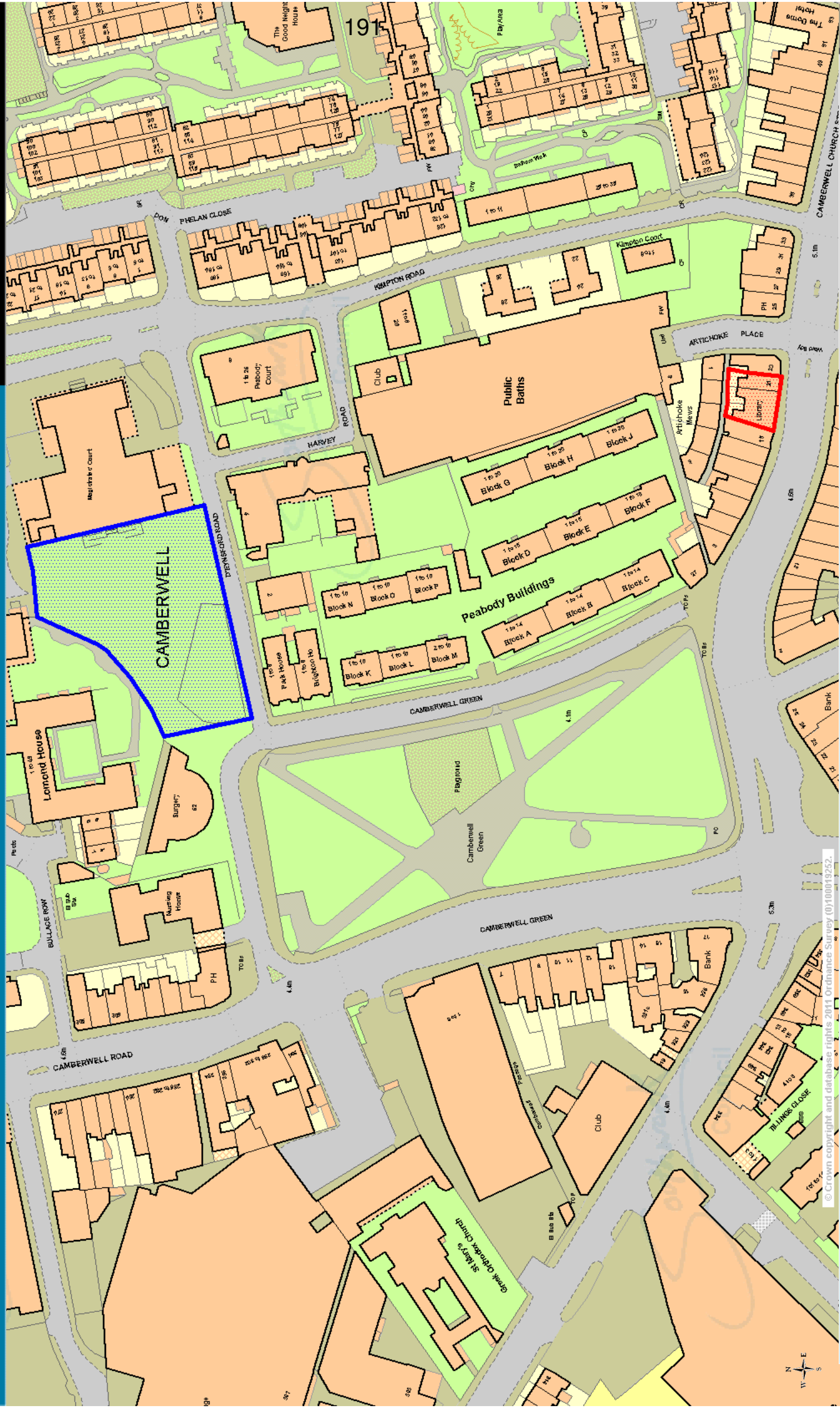
<b>No.</b>	<b>Title</b>
Appendix 1 (open)	Plan showing location of existing library and proposed site outside Magistrate Court
Appendix 2 (open)	Photographs of Bermondsey One Stop Shop and the Magistrates Court Square
Appendix 3 (open)	Development sites in Camberwell
Appendix 4 (open)	Detailed report on consultation

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Peter John, Leader of the Council	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Authors</b>	Jane Seymour, Senior Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>		9 June 2011

# Appendix 1 - Current Camberwell Library (Red) and Proposed Area (Blue)

Date 5/5/2011



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**Appendix 2**

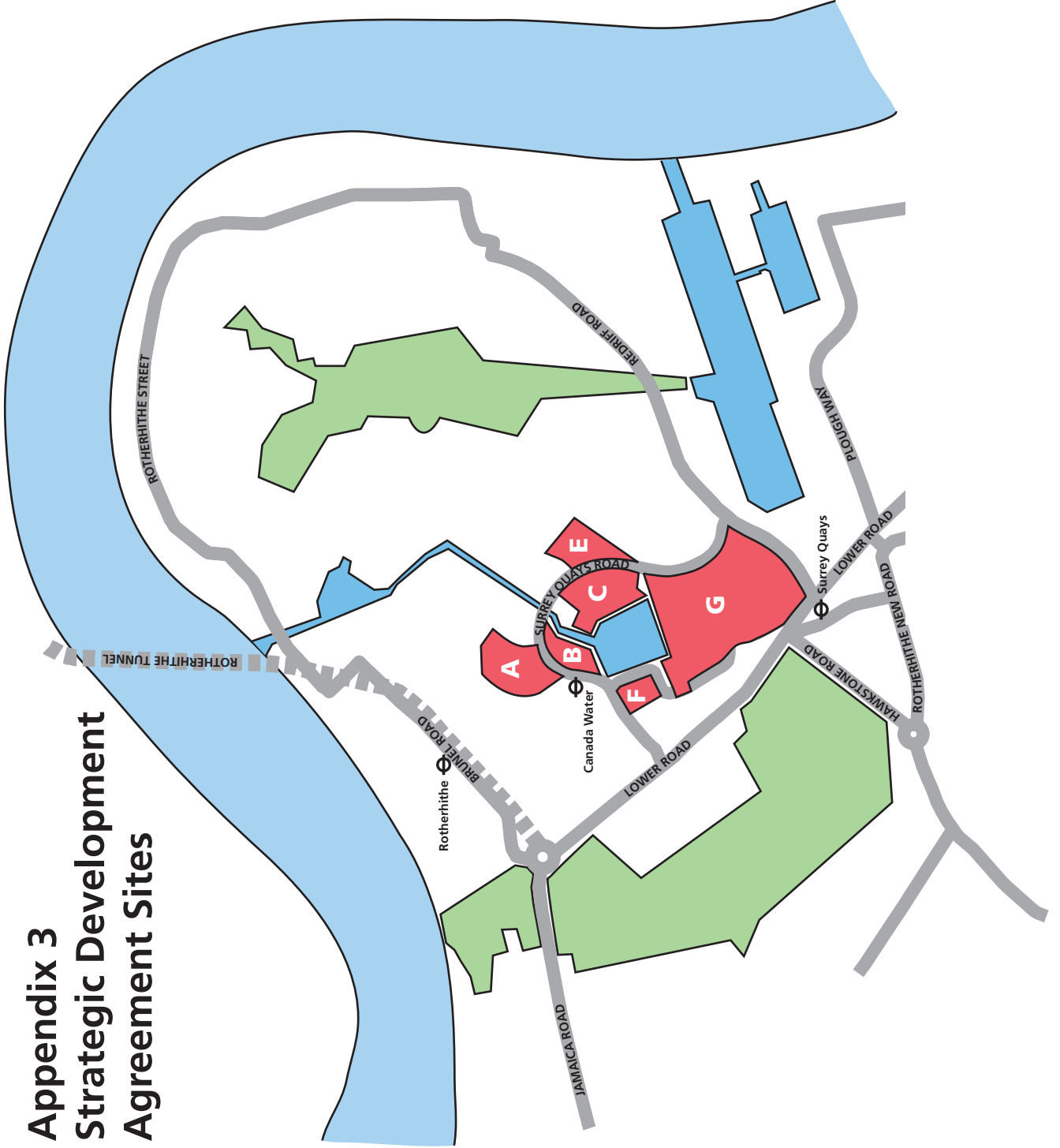
One Shop Shop Building



Square in front of Magistrates Court , Camberwell



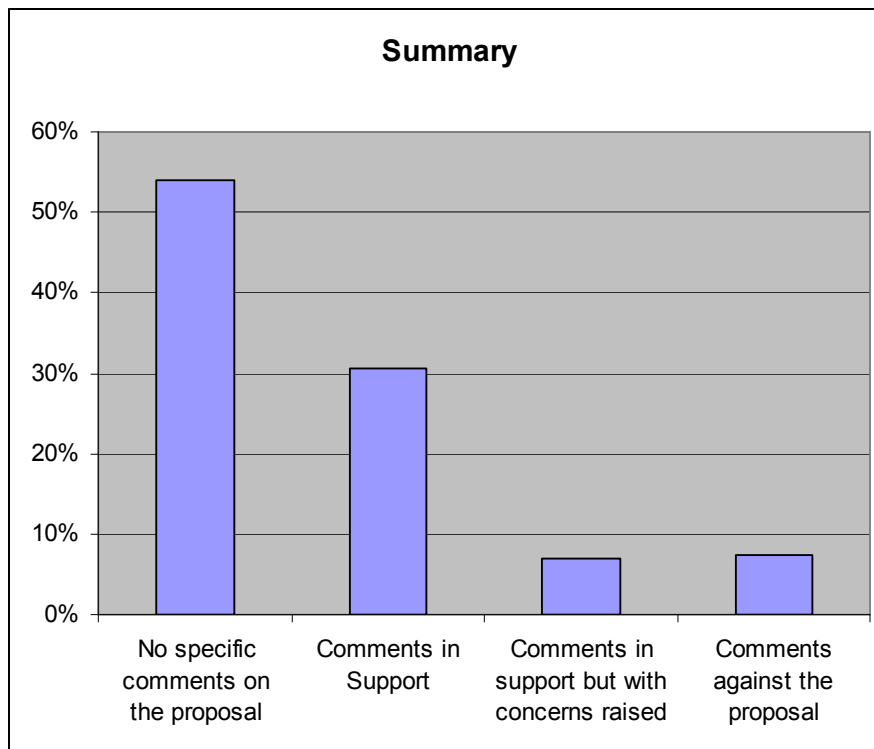
# Appendix 3 Strategic Development Agreement Sites





**APPENDIX 4****Camberwell Library and Resource Centre Consultation****Summary of Survey Responses**

Responses	437	As % of comments	
No specific comments on the proposal	239	53%	
Comments in Support	134	30%	67%
Comments in support but with concerns raised	31	8%	16%
Comments against the proposal	33	9%	17%





**Sample of comments in favour of the proposal:**

*'I like the proposal as it is going to improve the library facilities and the area where we live.'*

*'About time- the area of Camberwell is improved'*

*'In 1944 the original Camberwell library on Peckham Road was destroyed in the air raid in World War 2 and temporary accommodation was found at a shop front on Camberwell Church Street. How temporary is temporary? Almost 70 years later the temporary premises are still there in a shabby location. I support the new library 100%*

*'Good solution to for a neglected corner of Camberwell Green which will address the shortcomings of the current library'*

**Sample of comments in favour but with concern about some aspect of the proposal**

*'I think this is a good idea as long as the orchard is not eliminated, as the walk past the 'Magistrate's Court is my main access to Camberwell Green , it needs to be a safe route with no 'hidden' areas.*

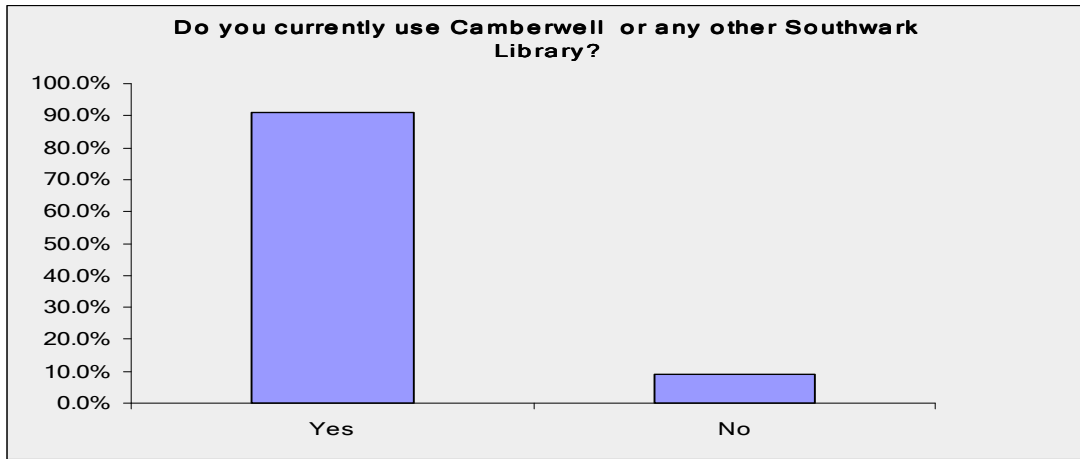
*'I don't want too many trees cut down outside the court as I grew up with those trees'*

**Sample of comments opposing the proposal**

*'The money would be better spent improving the existing library in Church Street. I don't agree with the building being plonked onto the Magistrates' Court – it is too big for the space'.*

*'The building should be viable for a long time, there is a question about the cost and long term use of the one-stop shop that you have not addressed '*

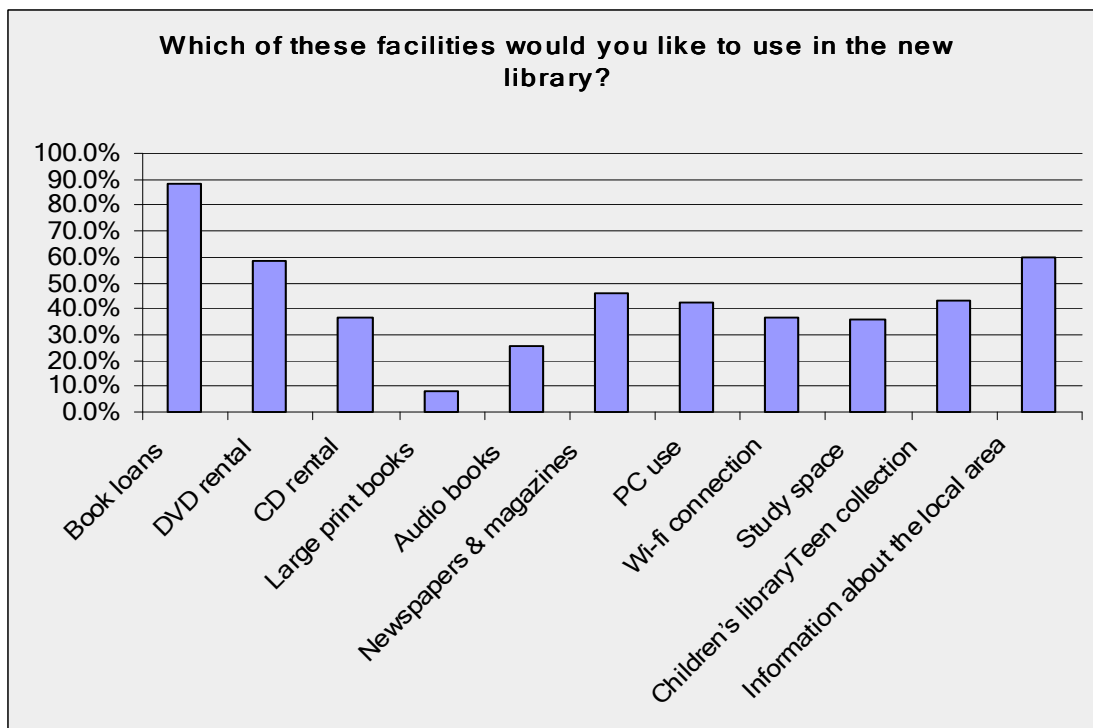
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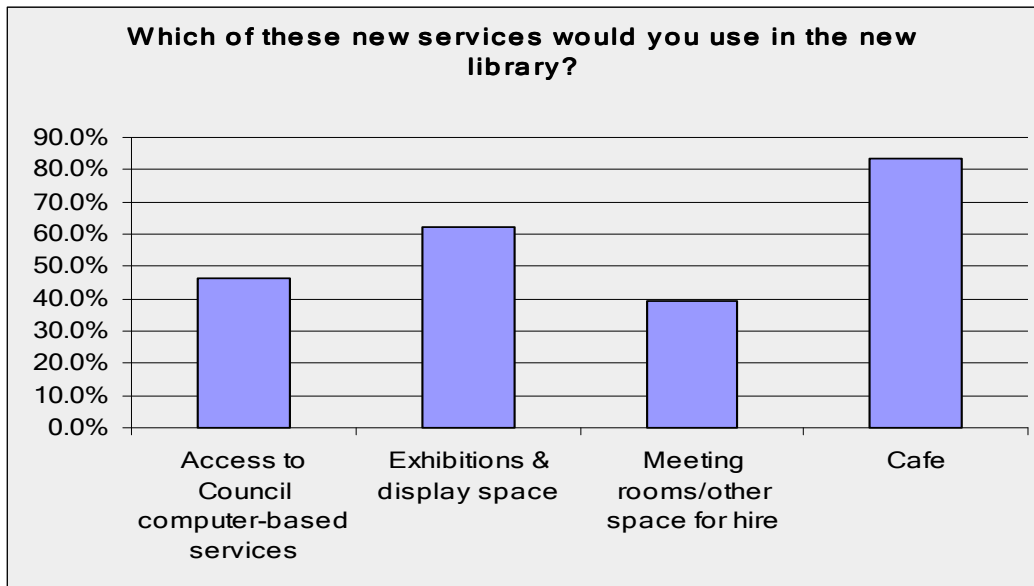
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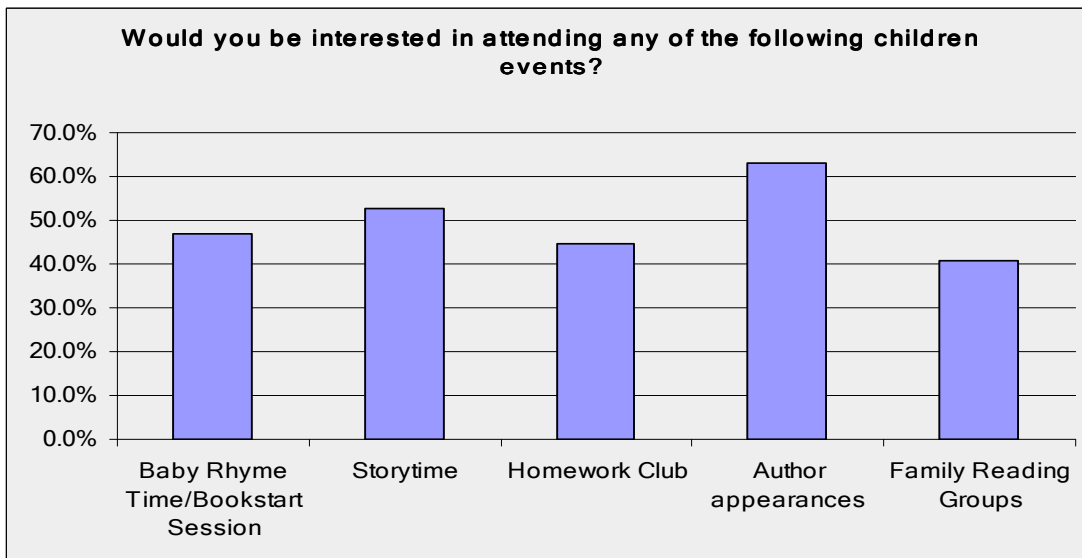
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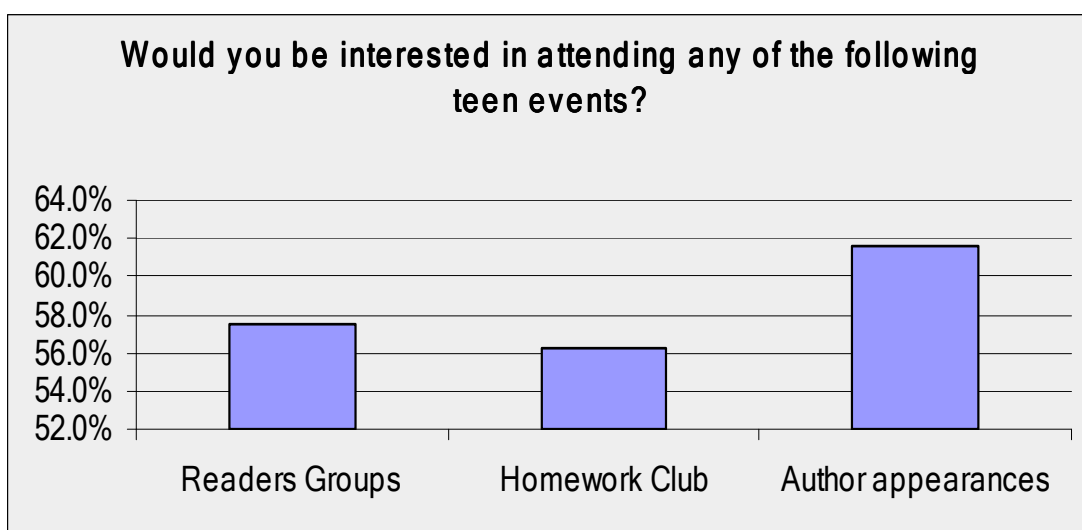
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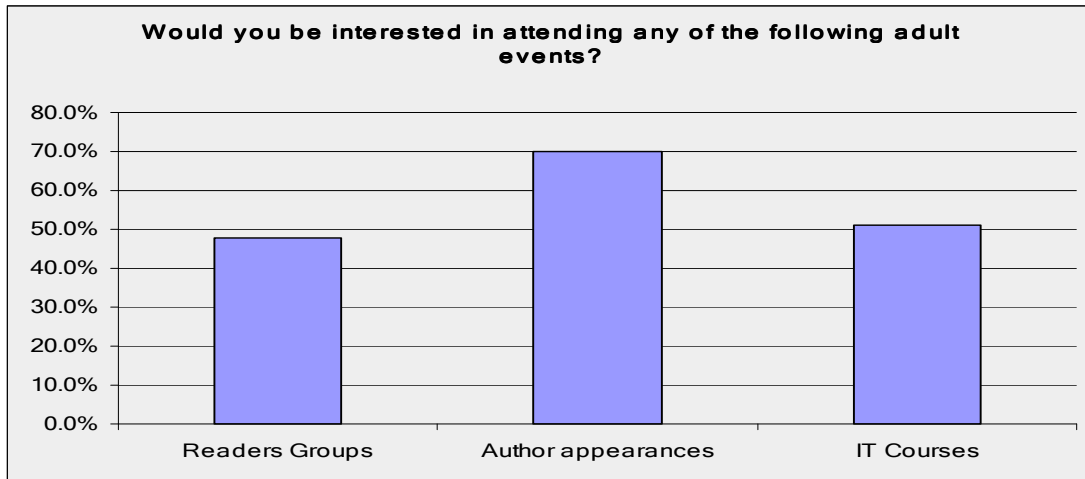
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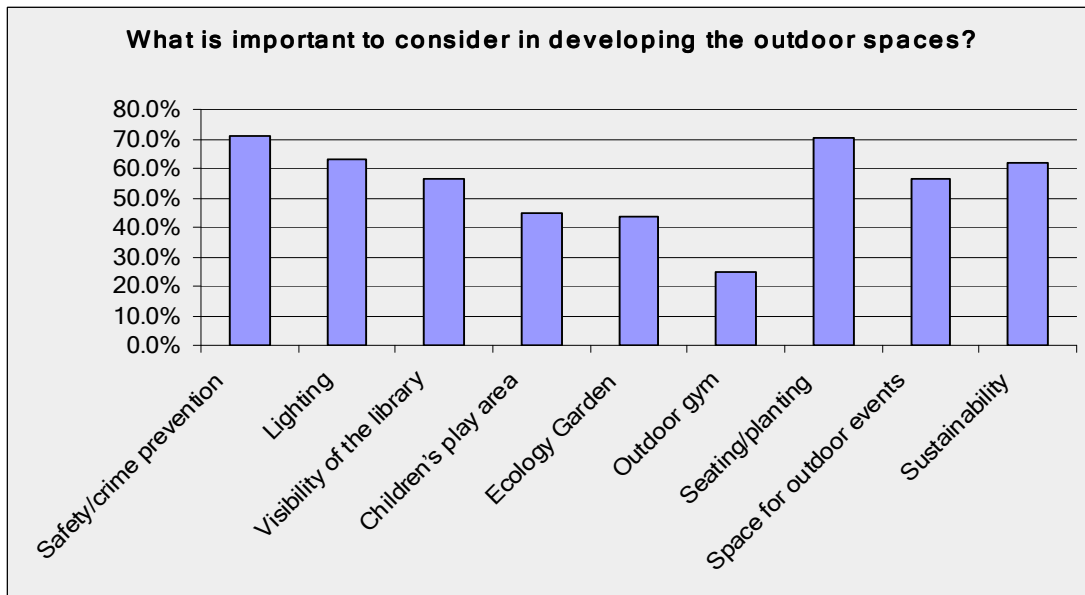
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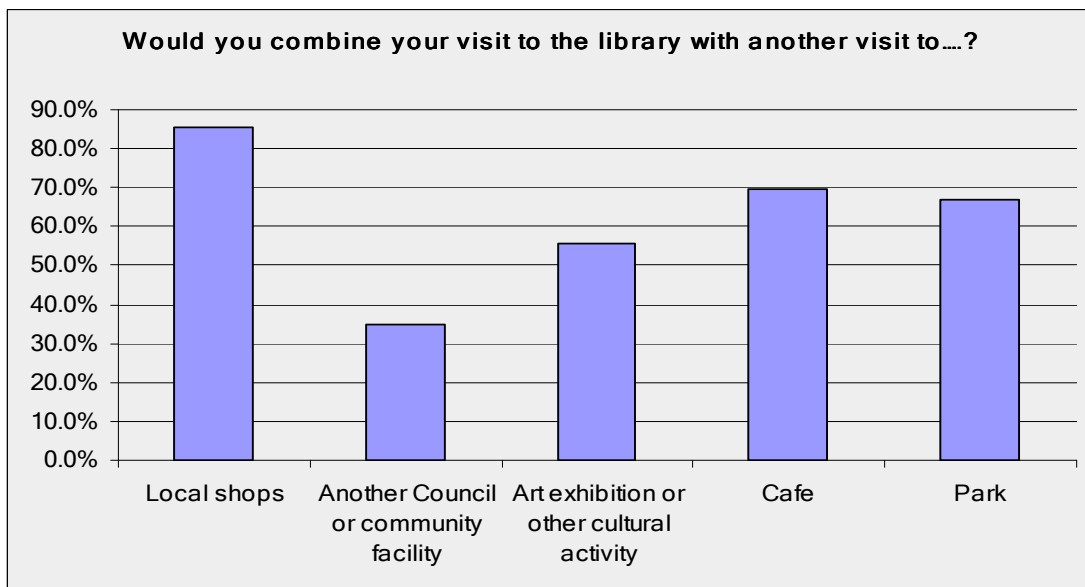
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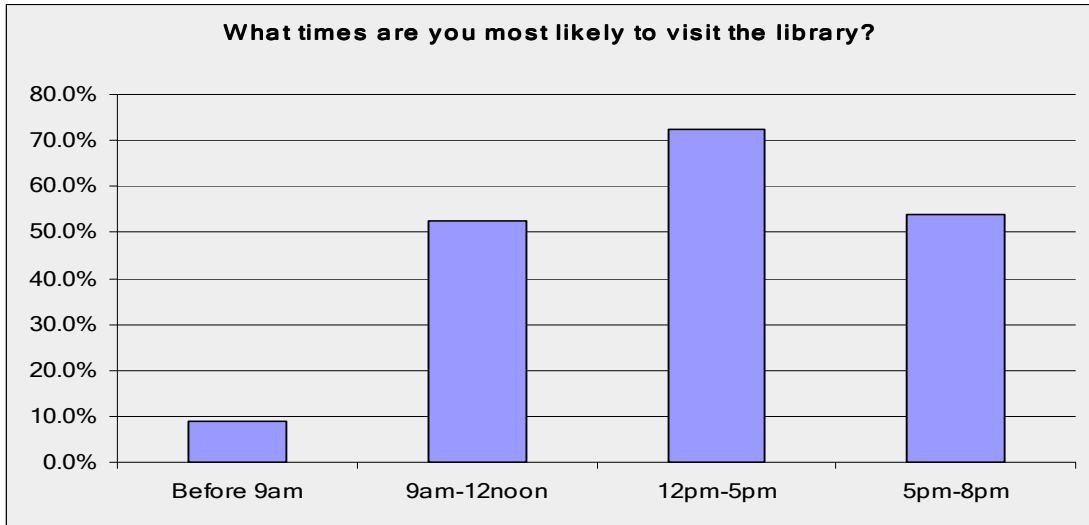
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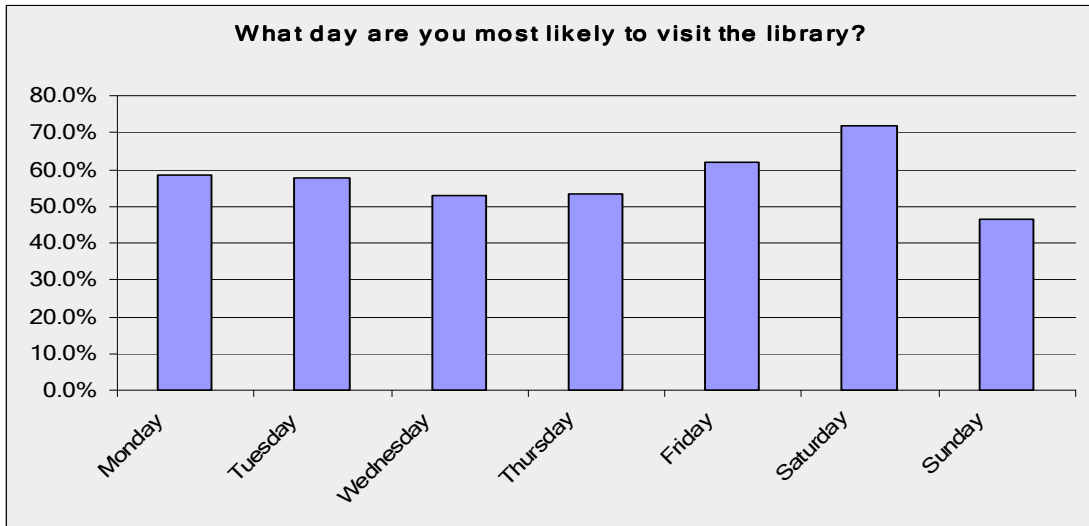
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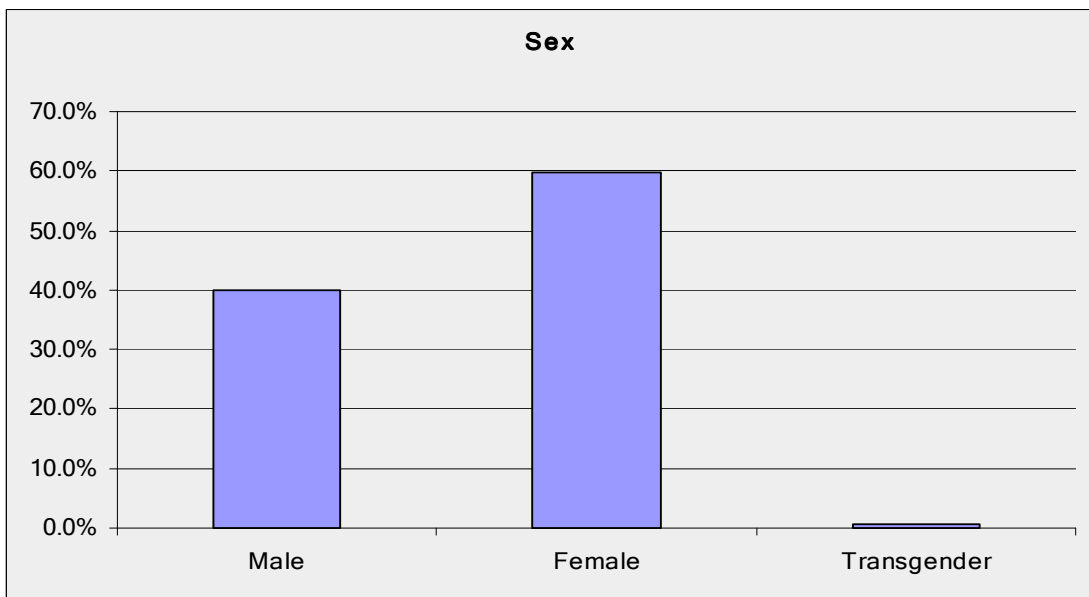
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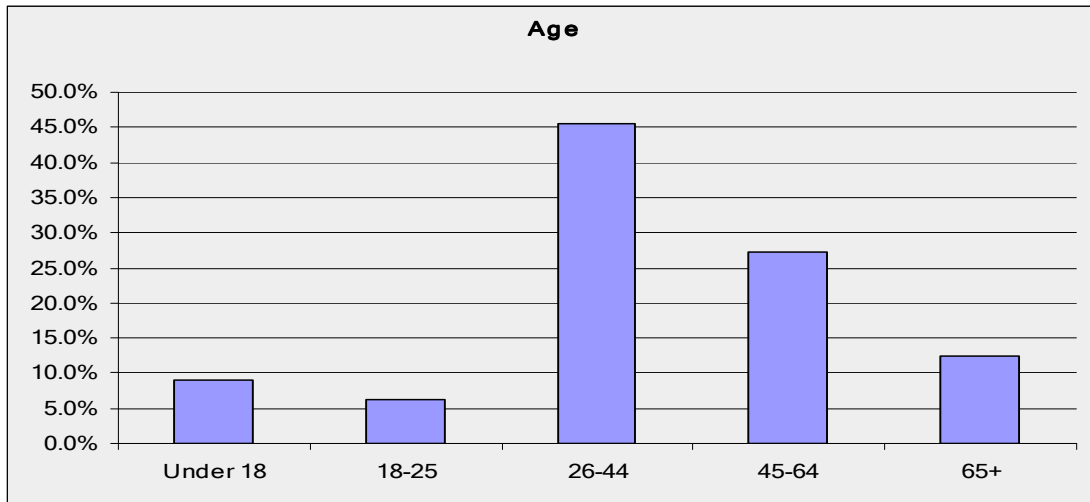
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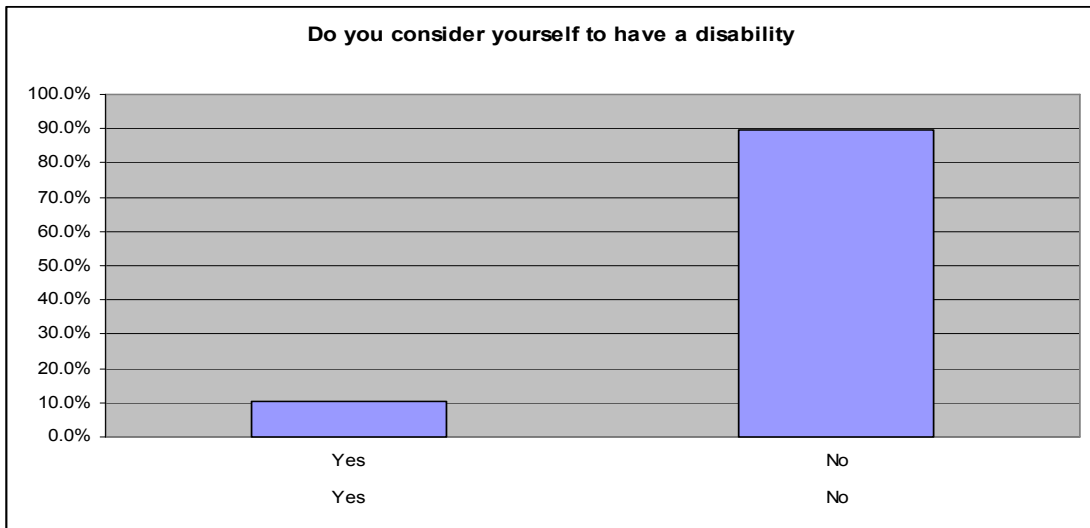
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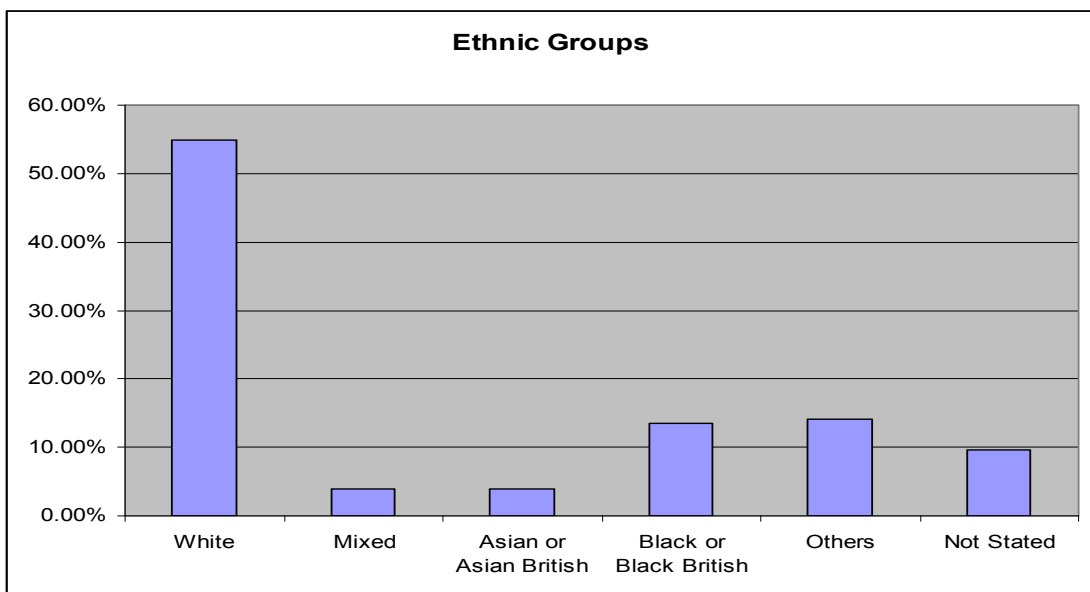
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14



15



<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		"A responsible approach" - Southwark Dog Strategy 2011 – 14	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone Finance, Resources and Community Safety	

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

Dog ownership brings joy and companionship to many Southwark residents. But there is a minority of dog owners who behave irresponsibly and the level of concern in the community relating to anti-social and aggressive behaviour involving dogs has been increasing. "A responsible approach", the Southwark Dog Strategy for 2011 to 2014 seeks to address these concerns.

This strategy has two strands. The first is to promote responsible dog ownership. The second is to address dog-related anti-social behaviour and dogs that are dangerously out of control. This second section includes our progress on Dog Control Orders and steps to address canine damage to trees, dog fouling and stray dogs. I am asking the Cabinet to consider and agree this strategy.

### **RECOMMENDATIONS**

1. That the Cabinet agrees "A responsible approach" - Southwark Dog Strategy 2011 – 14 and its recommendations.
2. That the Cabinet notes the possible future changes in the national policy environment as per the Home Office's current consultation on anti social behaviour (ASB) tool-kits "more effective responses to anti social behaviour- a consultation" and instructs officers to return with a further report when the national guidance is issued.

### **BACKGROUND INFORMATION**

3. In the last five years London hospitals have seen admissions for dog bites increase by 79 per cent according to the Greater London Authority (GLA). Between 2004 and 2008 dog fights increased twelve fold, according to figures from the Royal Society for the Protection of Animals (RSCPA).
4. Metropolitan Police seizures of dangerous dogs have witnessed a 24 fold increase in six years, from 43 in 2003 to over 1000 in 2009.
5. Within Southwark there continues to be a high level of public concern surrounding irresponsible ownership of dogs, and the consequences, including dog fouling, strays and antisocial and aggressive behaviour. Issues with antisocial dogs and dog fouling were listed as the second greatest concern of residents in the 2008

Southwark Place Survey. This strategy has been produced as a result of these concerns.

## **KEY ISSUES FOR CONSIDERATION**

### **Local context**

6. Tackling the nuisance caused by dogs formed part of the administration commitments.

### **National context**

7. In February 2011 the Home Office launched 'More effective responses to antisocial behaviour - a consultation'. They are consulting on proposals to streamline the toolkit used to tackle anti-social behaviour.
8. This consultation could impact on current legislation used to deal with dog related anti social behaviour i.e. it may repeal any existing Dog Control Orders. The consultation ends in May 2011 and outcomes are expected in Summer 2011.
9. Officers will return to Cabinet with an update in relation to the national policy context and available toolkit e.g. powers to enable a full decision to be taken on the possible implementation of a borough wide order.

### **The Southwark approach**

10. A Safer Southwark Partnership Action Group was formed in April 2010 for the purpose of creating a multi agency partnership to deal with dog related issues in a more efficient, effective and more targeted way as well as identifying possible improvements to service delivery. This group consists of (from the local authority) community safety, housing, parks, waste management, and communications. It also includes the Metropolitan Police, RSPCA, Battersea Dogs and Cats Home, Groundwork London and various voluntary agencies.
11. The work undertaken by this group has been highlighted as best practice by the Greater London Authority. Achievements in 2010 – 2011 includes:
  - 480 dog fouling operations across the borough
  - Over 20 dog events in housing estates and parks
  - 240 dogs micro-chipped
  - A media and communication strategy

This three year Strategy builds on the above best practice.

12. In June 2010 Southwark Police and Southwark Council set up Borough Action for Responsible Canines so that incidents of dangerous dogs and dogs dangerously out of control could be tackled in a more effective way.
13. A key achievement so far is the development an escalation process. The process is a warning letter, home visit carried out to provide information, advice and guidance, an anti social behaviour intervention e.g. acceptable behaviour contract (ABC). If these are not heeded this could lead to seizure of dogs and prosecution.



## **Governance**

14. The Safer Southwark Partnership (SSP) will oversee the delivery of the strategy, with performance management undertaken by the Anti Social Behaviour Strategic Group, a sub group of the SSP.

## **“A responsible approach”- Southwark Dog Strategy 2011 – 14: Key Recommendations**

15. This draft strategy outlines how Southwark plans to continue to deliver and build upon current services that promote the value of dogs and encourages responsible ownership across Southwark. There are two key areas the strategy will strive to deliver against:
- Encouraging responsible dog ownership
  - Tackling dog related anti social behaviour (ASB) and dogs dangerously out of control.
16. For both key areas the strategy outlines current service provision across the partnership and sets out proposals to improve services. Further detail is outlined in Appendix 1.
17. Tackling dog related ASB and dogs dangerously out of control is made up of five thematic areas for action. These themes are:
- Borough wide orders
  - Dog fouling
  - Dogs damaging trees
  - Stray dogs provision
  - Borough Action for Responsible Canines
18. New partnership activity contained within the Strategy 2011 – 14 which will tackle ASB and promote responsible dog ownership includes:
- Placement of awareness raising stickers in relation to dog fouling on all waste bins across Southwark by August 2011
  - Working with Friends of Parks to develop dog owner networks to identify and report dog damaged trees
  - Notices put by dog damaged trees to highlight awareness of the consequences
  - Developing and delivering a partnership communications strategy to encourage responsible dog ownership, lead by the DAG partnership.

## **Policy implications**

19. This strategy is aligned to existing policy frameworks, including the Safer Southwark Partnership’s statutory rolling action plan and the violent crime strategy 2010 - 2015.

## **Community impact statement**

20. Within Southwark there continues to be a high level of public concern surrounding irresponsible ownership of dogs, and the consequences, including dog fouling, strays, antisocial and aggressive behaviour. Issues with antisocial dogs and dog fouling were listed as the second greatest concern of residents in the 2008 Southwark Place Survey. The strategy 2011 – 14 will address

concerns of the community.

### **Resource implications**

21. The costs associated with delivering “encouraging responsible dog ownership”, are activities which are already being delivered or scheduled to be delivered. By agreement of the departments and divisions involved, delivery of these will be met from existing resources.
22. There may be associated costs related to delivering a borough wide dog control order. A further report will be provided once the outcome of the Home Office’s current consultation on anti social behaviour (ASB) toolkits ‘More effective responses to antisocial behaviour - a consultation’ has been released.

### **Consultation**

23. The strategy has been produced in partnership with all relevant departments in order to ensure that the document and the recommendations within are realistic, deliverable and achievable.
24. In November 2010 Southwark Council undertook a borough wide public consultation to establish whether or not there was a need and a desire to introduce DCO regulations for:
  - Failing to remove dog fouling (fouling of land by dogs order) - all public land borough wide.
  - Not putting and keeping a dog on a lead when asked to by an authorised officer (dogs to be placed on a lead when requested by an authorised officer) - all public land borough wide.
  - Permitting a dog to enter an area from which it is excluded (dogs exclusion order) - specific areas only i.e. gated children's play areas.
25. Officers will include the findings of this consultation in the updated report to Cabinet for decision in summer 2011.

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

#### **Strategic Director of Communities, Law & Governance (SH0311)**

26. This report recommends that the Cabinet Member agrees the Dog Strategy 2011-14 and further recommends how the strategy will be delivered bearing in mind national policy changes. At this stage the Cabinet Member is not being asked to allocate any resources in respect of the strategy as these have already been allocated however, if changes in national policy and the consultation responses require an increase in resource allocation, then the Cabinet Member may at a later stage be asked to do so in a separate report.
27. The background to this report is adequately summarised in paragraphs 3-5 of this report and the attached Strategy outlines how Southwark plans to address the issues raised in those paragraphs.

28. Under Part 3D, paragraph 6 of the Constitution the Cabinet Member has the authority to agree statutory and other strategies in relation to their areas of responsibility except where they relate to cross cutting issues. Under paragraph 7 of Part 3D the Cabinet Member has the authority to agree significant policy issues in relation to their area of responsibility. Further under paragraph 15 of Part 3D the Cabinet Member has the power to promote effective partnerships between the Council and other agencies and bodies affecting the community in relation to their area of responsibility. The Strategy would safely fall within this category as the Strategy is being operationally delivered by the Southwark Dog Action Group which is a multi-agency partnership and is being further overseen by the Safer Southwark Partnership.

#### **Finance Director (SB03/11)**

29. This report recommends that the cabinet member agrees the dog strategy 2011-14 and indicates that the costs currently identified can be met within existing resources.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Dog Control Order (DCO) borough wide consultation Individual Decision Maker (IDM) report	160 Tooley Street, SE1 2TZ	Nicola Morris, Safer Southwark Partnership Team, Tel: 02075250802
DCO borough wide consultation evaluation report	160 Tooley Street, SE1 2TZ	Nicola Morris, Safer Southwark Partnership Team, Tel: 02075250802

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	"A responsible approach" – Southwark Dog Strategy 2011 – 14

## AUDIT TRAIL

<b>Cabinet Member</b>	Richard Livingstone, Finance, Resources and Community Safety	
<b>Lead Officer</b>	Gill Davies, Strategic Director of Environment	
<b>Report Author</b>	Jonathon Toy, Head of Community Safety and Enforcement	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	9 June 2011	

## Appendix 1

# “A responsible approach” - Southwark Dog Strategy 2011 - 2014

Southwark Council, the police and partners in the community are working hard to keep you safe.

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## 1. INTRODUCTION

### 1.1 National and regional context

Dogs have been considered man's best friend for thousands of years. The vast majority are sociable, playful, and convey tremendous pleasure to the owner and household. Walking a dog has obvious health benefits, and often facilitates social interaction with the community, whilst recent research has confirmed that owners have lower blood pressure, lower cholesterol, and fewer medical problems. For some people, particularly those who are older and alone "the social support offered by an animal is greater than the support another human could offer."<sup>1</sup>

Unfortunately there is another side to dog ownership; in recent years the UK has witnessed a rise in dog related problems and community concerns. The blame for this does not rest with dogs per se, but often with careless, antisocial or irresponsible management and treatment. In the last five years London hospitals have seen admissions for dog bites increase by 79 percent, and some attacks have led to fatalities, often of children<sup>2</sup>. Between 2004 to 2008 dog fights have increased twelve fold<sup>3</sup>. This activity, dangerous and distressing in itself, also impacts on our communities and the environment around us, through the damage to trees, swings and park benches caused by owners coercively training their dogs to be savage and to fight.

Metropolitan Police seizures of dangerous dogs have witnessed a 24 fold increase in six years, from 43 in 2003 to over 1000 in 2009 but it has been at a cost. In 2010 the Metropolitan Police allocated £10.5 million for kennelling fees alone.<sup>4</sup>

Tackling the problem of dangerous and out of control dogs is currently one of the Greater London Authority's (GLA) priorities. The Deputy Mayor Kit Malthouse has launched a petition calling on the government to take action to deal with the problem of dangerous dogs and is proposing:

- An increase in the penalty for owning a banned breed, to bring it more inline with carrying an offensive weapon
- The extension of the law to include private land, particularly to protect people who have to visit other peoples homes as part of the work
- Changes to the part of the law that allows well behaved banned breeds to remain with their owners, so that the process is much quicker, making it better for the dog and saving the police money.

The GLA has hosted a number of events at City Hall in order for key agencies to discuss the issues of dangerous dogs and dogs out of control, and the sharing of examples of best practice being demonstrated across London.

<sup>1</sup> BBC website article "Dog Owners Live Healthier Lives" quoting from academic research

<sup>2</sup> Source GLA, 31 March 2010

<sup>3</sup> RSPCA figures

<sup>4</sup> Figure quoted by Lord Toby Harris, Hansard, 21 June 2010

## 1.2 Local context

Within Southwark there continues to be a high level of public concern surrounding irresponsible ownership of dogs, and the consequences, including dog fouling, strays, antisocial and aggressive behaviour. Issues with antisocial dogs and dog fouling were listed as the second greatest concern of residents in the 2008 Southwark Place Survey.

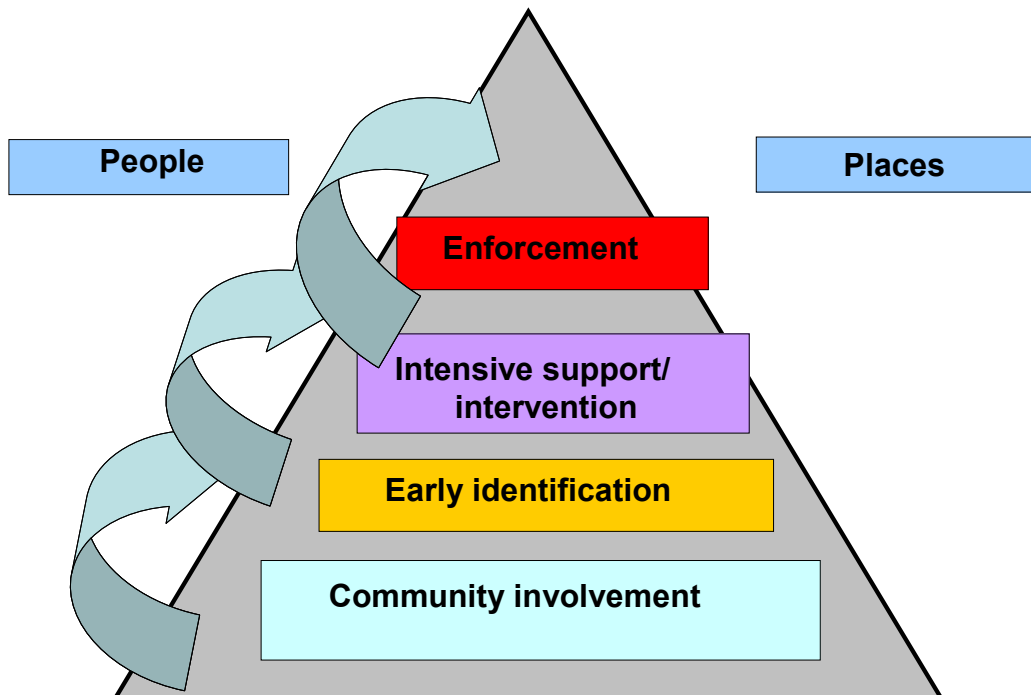
## 1.3 The Southwark approach

Safer Southwark Partnership (SSP) recognises the growing concerns around dog related issues at a local, regional and national level and has responded by bringing together all key departments and outside agencies that deliver specific services that impact on dog owners within the borough including those that play a key role in enforcing against irresponsible dog owners and incidents of dangerous dogs.

The SSP has developed a whole systems approach to tackling crime and antisocial behaviour based on our learning over the past 12 years. The diagram below (diagram 1) illustrates the four tiers that form the groundwork of any intervention we may put in place.

Diagram 1.

### Southwark - Delivering action and interventions



The Safer Southwark Partnership set up a specific group in April 2010 for the purpose of creating a multi agency partnership to deal with dog related issues in a more efficient, effective and more targeted way as well as identifying possible improvements to service delivery. This group consists of (from the local authority) community safety, housing, parks, waste management, and communications. It also includes the Metropolitan Police, RSPCA, Battersea Dogs and Cats Home, Groundwork London and various voluntary agencies.



## 1.4 Aims and objectives

This strategy outlined how Southwark will deliver services that promote the value of dogs and encourages responsible ownership across Southwark, as well as continuing to tackle irresponsible dog owners and enforce quickly and robustly against incidents of aggressive dogs or dogs allowed to be dangerously out of control.

The strategy has been produced in partnership with all relevant departments to ensure that the document and recommendations within are realistic, deliverable and achievable.

There are two priority areas the strategy will strive to deliver against:

- Encouraging responsible dog ownership
- Tackling dog related ASB and dogs dangerously out of control.

For each priority area the strategy will outline current and improved service provision across the partnership and detail what the partnership will strive to deliver in 2011 to 2014, giving consideration and recognition to any conceived restraints to resources and budgets.

## 2.0. ENCOURAGING RESPONSIBLE DOG OWNERSHIP

The backbone of this strategy is to encourage and promote responsible dog ownership. We feel that it is important that we enable our communities to be able to make positive steps in their behaviour, as well as ensuring that they understand what the consequences are for acts of dog related ASB and allowing dogs to be out of control. Communicating effectively with the local communities and encouraging responsible dog ownership has a number of positive impacts on the local environment, residents across southwark as well as reducing the burden on resources needed across the partnership that currently deal with and respond to issues of dog related ASB and incidents of dangerous dogs and dogs out of control.

### 2.1 Changes to tenancy conditions

In April 2010 Southwark housing department updated their tenancy handbook section 'being a good neighbour – reducing anti social behaviour, harassment and domestic violence' to inform residents of their need to obtain permission in order to keep a dog. The Southwark Housing Department will grant permission as long as:

- The dog is micro-chipped; and
- Pet and owner details are provided.

The section of the handbook also advises residents on responsible dog ownership and their responsibility as a dog owner to pick up after their dog and not to allow it to be out of control. A number of actions can be taken against residents that breach tenancy terms and conditions and in serious circumstances notice to seek possession and even eviction can be sought.

In 2010 to 2011 Southwark Housing Department distributed the revised tenancy handbook to all relevant residents and offered free micro-chipping days and services for those tenants wishing to register their dogs.

In 2011 the housing department will be continuing to educate residents on the tenancy handbook but will also be responding to complaints of dog related antisocial behaviour and nuisance and taking appropriate action against the tenant.

In 2010 to 2011 Southwark encouraged responsible dog ownership through a number of media and communications campaigns as well as through partnership led dog events and education sessions within schools. Key achievements within the year include:

## 2.2 Events

- Delivery of over 20 dog events within Southwark's housing estates and parks, offering free micro chipping, welfare advice, free or discounted neutering services, free dog bags, training and handling advice and competitions.
- Micro-chipped 240 dogs
- Over 800,000 free dog poo bags made available to local residents
- Delivery of education and awareness raising activities within a primary school and secondary school in areas where a number of dog related issues have been reported
- Partnership delivery of two estate action days offering intensive education and support to areas where a number of dog related issues have been reported.

## 2.3 Media and communications

- A two page article in the July/August issue of Southwark Life (which goes to every household in the borough) covering responsible ownership, and providing advice about services.
- An adshel poster campaign across the borough (September to November 2010) highlighting our successes in tackling dangerous dogs.
- News piece to promote the dog control order consultation and getting involved online Southwark Life, December 2010
- Facebook, twitter and other social media to discuss the dog control order regulations and issues of dog related anti social behaviour.
- A number of articles in the South London press, Southwark news and time out promoting the dog control order consultation, dog events, results of BARK operations and issues of dog within parks including dogs attacking trees.
- Revision of relevant web pages for Southwark Council ensuring that local residents can access information on key responsible dog ownership messages and know how to report incidents of dog related antisocial behaviour.

Examples of media and communication

Southwark Council, the police and partners in the community are working hard to keep you safe.

**you said, we did**

You were worried about dangerous dogs in your area

The council and police got tough with irresponsible dog owners

...we've already seized 19 dangerous dogs, made 58 visits and issued nine warning letters

It's now a condition of your tenancy that if you keep a dog at home, you need to let us know and have them microchipped. It's a quick and painless procedure that makes it easier to reunite you if your dog gets lost and we've teamed up with The Dogs Trust to do it for free, saving you up to £200 per pet.

Another simple step to being a responsible owner is having your dog neutered. As well as reducing the number of unwanted puppies it also helps to reduce the risk of health and behavioural problems. At Southwark Council we offer free neutering services for dogs under 12 months old. For more information, call 020 8535 0770.

and take it wherever you go, or you could face a £100 fixed penalty notice. You can now apply for a dog licence for any dog over 16 weeks old. It's free through our dog registration service. You can also apply for a dog licence for any dog over 16 weeks old. It's free through our dog registration service. You can also apply for a dog licence for any dog over 16 weeks old. It's free through our dog registration service.

**Free microchipping events**

Where  
Nursery Row Park, Old Street, SE17 5AL  
Southwark Park, Green Road entrance, SE16 2SA  
Brunswick Park, Gables Cross, SE5 7RN  
Bird in Bush Park, Bird in Bush Road, SE15 6BW

Date  
8 July, 2 September  
22 July, 16 September  
5 August, 16 September  
19 August, 30 September

**Free dog chipping**

For all Southwark residents today

Safe and painless, your dog will be retraced to you should he ever get lost or stolen

Go to the wardens tent on the estate for more details

www.southwark.gov.uk/keepingyouafe

safer southwark partners

## Recommendations

19. To develop and deliver an effective communications strategy on responsible dog ownership
20. To continue to deliver a number of partnership led dog events within parks and estate action days across Southwark.
21. To ensure that relevant website pages are kept up to date and remains informative on all areas of dog related services and events delivered across the borough.
22. To create a webpage in partnership with the police informing residents on the BARK project and that includes information on how to report incidents of dangerous dogs and dogs dangerously out of control.
23. To look at an education / media campaign informing local residents of the need to have a collar and tag on their dog at all times under the Control of Dogs Order 1992.

### 3.0 TACKLING DOG RELATED ASB AND DOGS DANGEROUSLY OUT OF CONTROL

#### 3.1 Tackling dog related ASB

A number of local authority departments invest resources into tackling irresponsible owners and incidents of dog related ASB, using a number of different legislative powers available to them. Some of the work being undertaken by these departments as well as proposed delivery for 2011 to 2014 is outlined below.

##### 3.1.1 Dog control orders

The Clean Neighbourhoods and Environment Act 2005 and The Dog Control Orders Regulations 2006 empowers Local Authorities to make dog control

orders (DCOs) that prescribe offences for:

- Failing to remove dog faeces
- Not keeping a dog on a lead
- Not putting, and keeping, a dog on a lead when directed to do so by an authorised officer
- Permitting a dog to enter land from which dogs are excluded
- Taking more than a specified number of dogs onto land.

Where DCO regulations are implemented offenders can be issued on the spot fines (£50) or if prosecuted, be ordered to pay a fine of up to £1,000.

There are a number of requirements for making dog control orders. These include:

- Showing that the orders are a necessary and proportionate response to problems caused by the activities of dogs and those in charge of them.
- The interests of those in charge of dogs must be balanced against the interests of those affected by the activities of dogs.
- The practicalities of enforcement of the dog control orders must be considered.

In November 2010 Southwark Council undertook a borough wide public consultation to establish whether or not there was a need and a desire to introduce DCO regulations for:

- Failing to remove dog fouling (fouling of land by dogs order) - all public land borough wide.
- Not putting and keeping a dog on a lead when asked to by an authorised officer (dogs to be placed on a lead when requested by an authorised officer) - all public land borough wide.
- Permitting a dog to enter an area from which it is excluded (dogs exclusion order) - specific areas only i.e. gated children's play areas.

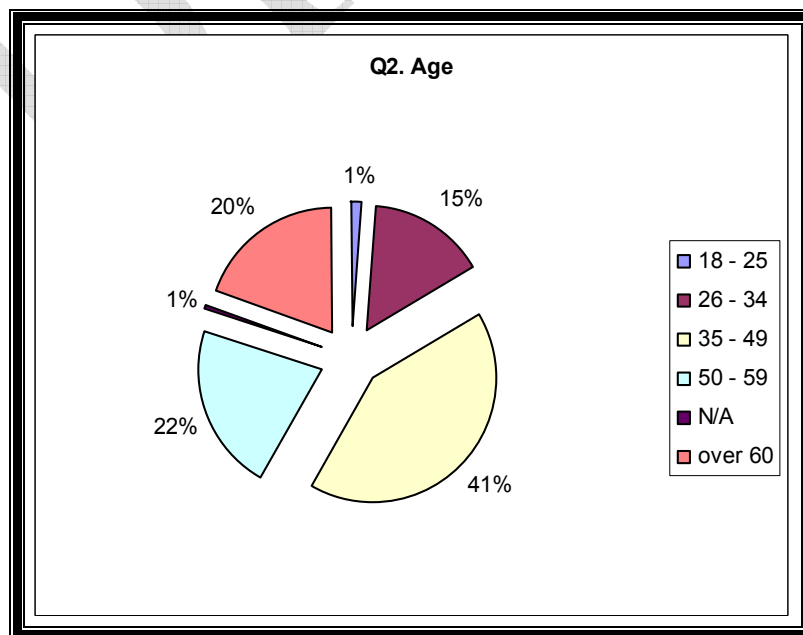
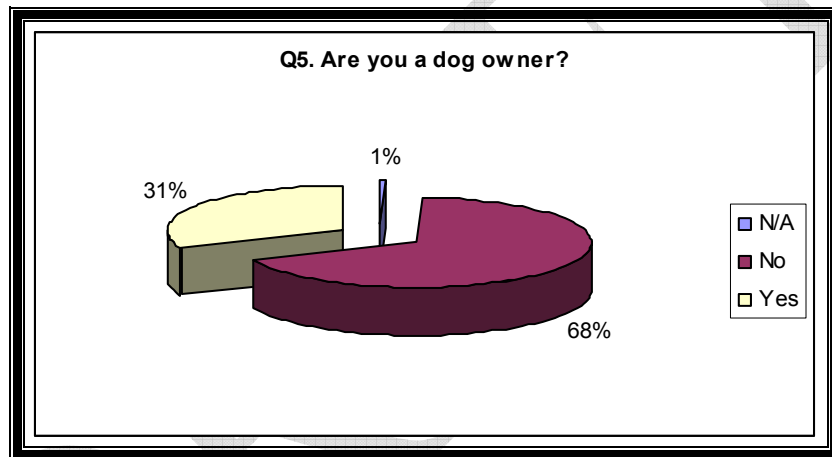
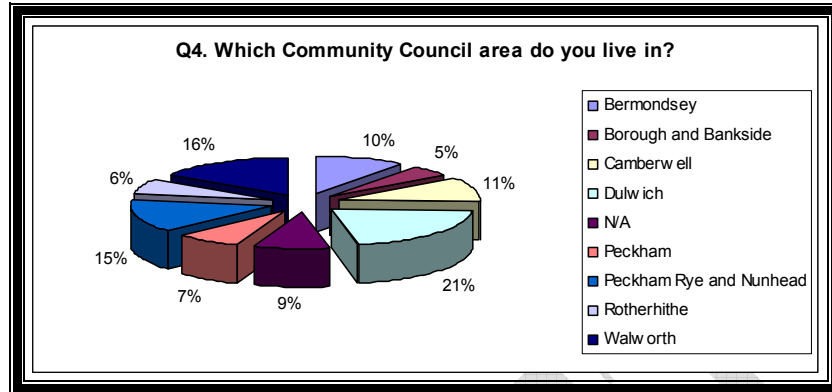
The consultation process included a generic questionnaire (survey) that was made available in two formats, a paper copy and an online version. These were issued to residents through various mediums as outlined below:

- Southwark corporate website
- Tenants Resident and Association's and related websites
- Eight community council area meetings
- 21 ward panel meetings
- Cemeteries & Crematorium's
- Community wardens & park liaison team
- Various Southwark Council public events
- Local press

### **3.2 Results**

The dog control order consultation took place over a three and a half month period on a borough wide basis. The consultation began on 1 November 2010 with the final date for representations on Tuesday 15 February 2011.

Over 400 responses were received to date from both dog owners and non dog owners alike, from across the borough and from a diverse age range.



The evaluation of the consultation showed overwhelming support for the local authority to implement all three of the dog control order regulations specified.

In February 2011 'more effective responses to antisocial behaviour - a consultation' was launched by the home office in which they are consulting on plans to streamline the toolkit used to tackle antisocial behaviour. This consultation also impacts on current legislation used to deal with dog related anti social behaviour i.e. Dog Control Orders that are currently being used in a number of local authorities and may repeal any current DCOs being used currently. The consultation ends in May 2011 and Southwark are currently waiting the results of this consultation and the impact of any changes to the toolkit before moving forward and implementing the DCO regulations.

### Recommendations

1. To implement a borough wide order, in line with new legislation to promote responsible dog ownership
2. To undertake intelligence gathering and data capture on a bi-monthly basis in order to undertake targeted enforcement operations in the worst affected areas for dog fouling within the borough.
- 3 To continue to respond to reports of dog fouling across the borough using the dedicated resources available within cleansing.
- 4 To ensure that a programme of educational and awareness raising messages is undertaken by the partnership includes information on dog fouling, the health implications and the use of waste bins for disposal of bagged dog mess. Stickers to be placed on bins across Southwark by August 2011 and information provided to schools
- 5 To continue to provide free dog bags through local libraries, parks offices, at dog events and operations.

#### 3.2.1 Dog fouling

Under the Dogs Fouling of Land Act it is an offence to not pick up after your dog and dispose of it responsibly. Officers within the community safety and enforcement unit have the power to issue fixed penalty notices of £50 to any one who has been witnessed not picking up after their dog. Non payment of the fixed penalty notice can lead to receiving a fine of up to £1000.

In 2010 to 2011 there were a total of 3482 reports and requests for dog waste clearance reported through our environmental call centre, street leader scheme and community wardens. Southwark's response to reports of dog mess include clearance of the dog mess (usually within 4hrs of reporting) by deploying one of the two dedicated vehicles and operatives currently in place.

Officers undertake dog fouling operations in specific areas of concern that have been identified through intelligence provided by the local community. These operations usually involve education of local residents about their responsibilities and possible fines as well as the issuing of fixed penalty notices to residents who are seen not to pick up after their dogs.

There are around 700 dog bins across Southwark and there is regular demand from the public for more. Southwark has responded to this by ensuring that the public are made aware that ordinary waste bins can also be used to dispose of dog mess as long as it is bagged. In November 2010 educational stickers were produced and by August 2011 will be fixed to every waste bin in Southwark.

### 3.2.2 Achievements in 2010 to 2011

- Officers undertook over 480 dog fouling operations across the borough.
- Provision of over 800,000 free dog bags through libraries, parks offices, events and operations.
- 98 percent clearance of dog fouling incidents reported within the four hour response time are cleared.

In 2011 dog fouling operations will fall specifically under the remit of the community warden service. New targeted ways of working and enforcement against irresponsible dog owners specifically for dog fouling is currently being arranged and will be implemented as of May 2011.

### 3.2.3 Dogs damaging trees

In one six month period (July to December 2010) in Southwark over 140 trees suffered damage from dogs. Work carried out specifically in response to dog damage has cost the taxpayer well over £2,000, on top of the costs of replacing those trees that have died.

Dogs are being encouraged to attack trunks, hang from branches and bite off tree bark as the attacks strengthen the jaws of dogs and can be an indication of antisocial behaviour.

Background info on how and why dogs damage trees can be found at the following link:

<http://www.guardian.co.uk/world/2009/aug/11/urban-trees-destroyed-fighting-dogs>

In November 2010 the council formally adopted its tree management strategy to improve the way it manages over 50,000 trees under its care throughout the borough and includes a dogs and trees action plan demonstrating a commitment to tackling damage to trees caused by dogs.

### Recommendations

6. To take action against offenders through prosecution under park byelaws (for those directly witnessed) or antisocial behaviour action (in response to community intelligence).
7. To work with Friends of Parks to develop dog owner networks to identify and report issues effectively.
8. To continue a programme to grease trees, put tree guards in place and crown lift trees in parks across Southwark to prevent damage.
9. To update all park notice boards with standard responsible dog ownership and dog damage to trees notices.
10. Put up notices by dog damaged trees to raise awareness of the consequences of dog damage to trees.
11. Collect information about the profile of people who perpetrate dog damage, the types of dogs and times of day when damage happens so that targeted enforcement can be undertaken.

#### 3.2.4 Stray dogs provision

Every year over 300,000 dogs go astray in the UK, which is not only upsetting for their owners but can raise a number of issues including animal welfare issues, concerns over public safety, problems with dog fouling and an increased likelihood of a stray causing a road traffic accident.

Under section 68 of the Clean Neighbourhoods and Environment Act 2005 the obligation to collect stray dogs was passed from the police to the local authority. This new legal duty came into effect on 6 April 2008.

Under section 149(1) of the EPA 1990 the local authority must appoint an officer for the purpose of discharging their stray dogs function. This authority can be further delegated under section 149(2).

In Southwark the Strategic Director for Environment retains the overall responsibility for ensuring that the authority's stray dog functions are discharged correctly. However, the day to day functions are currently delegated to the environmental enforcement officers who sit within this division.

Over the last four years Southwark Council have collected 673 stray dogs. There has been a year on year rise.

Year	2007	2008	2009	Jan 2010 – March 2011
Number	56	196	212	209



Southwark Council are currently reviewing their stray dog provision within the borough for 2011 to 2012.

### Recommendations

12. Ensuring that any changes to the stray dog provision within Southwark meets the local authorities' statutory obligation and is communicated to the general public and to key partners.
13. To continue to work in partnership under the BARK project and that comprehensive intelligence gathering and sharing of information to deter and disrupt dangerous behaviour and to seize dangerous or banned breeds continues to be a success.
14. To continue to take action against owners of status and / or dangerous dogs, through criminal prosecutions, antisocial behaviour legislation or tenancy enforcement.
15. To further improve intelligence gathering, it is recommended that police officers make specific reference to any dangerous or antisocial dogs via the CRIS reporting system. This database will then be interrogated for information prior to each BARK meeting.
16. To continue to ensure that all front line services within the local authority are aware of how to report incidents of status and dangerous dogs through training and identification of a single point of contact.
17. To develop a specific webpage hosted by Southwark Council and the Police which provides the public with information on BARK, including a public referral form. The site will be updated every three months sharing good news stories, statistics and reassurance messages.
18. For the BARK partnership to keep up to date on current and proposed legislation that may support the project, specifically around tackling the supply of status dogs through breeding and sales.

### 3.3 Dogs dangerously out of control

#### 3.3.1 Borough action for responsible K9s (BARK)

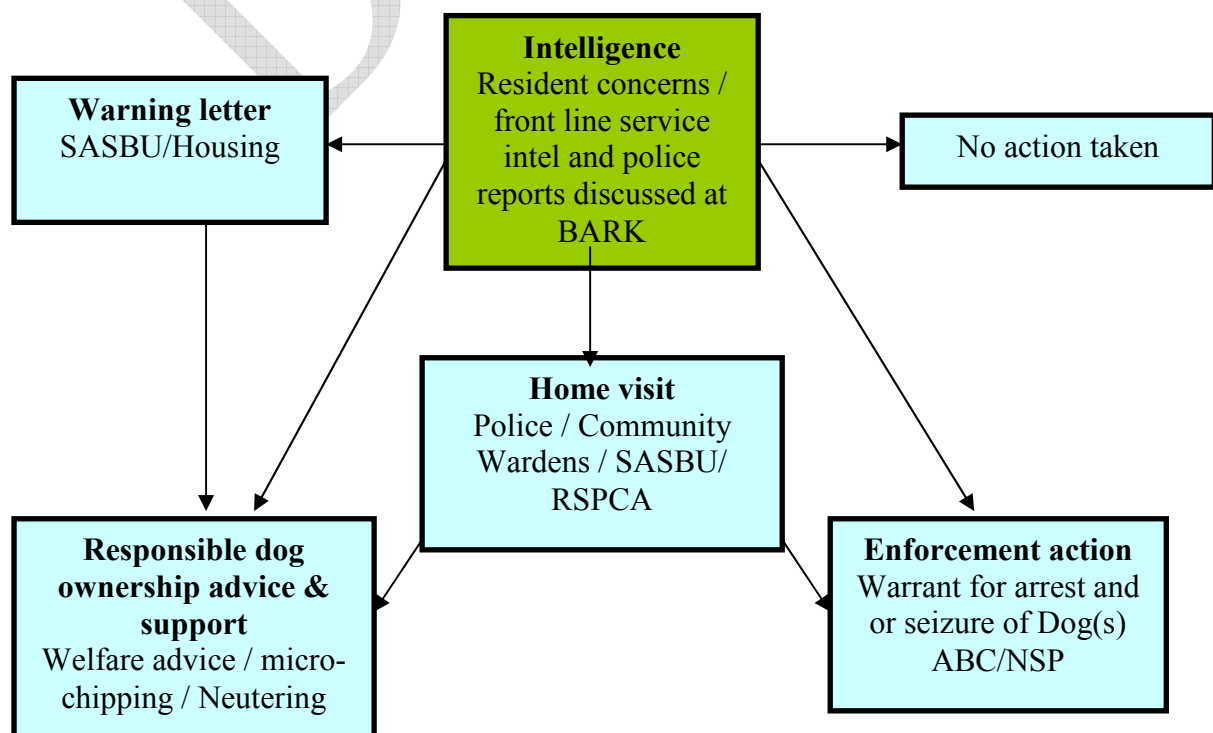
In June 2010 Southwark Police and Southwark Council set up Borough Action for Responsible K9s (BARK) so that incidents of dangerous dogs and dogs dangerously out of control could be tackled in a more effective way.

BARK meetings are held every four to six weeks where information and intelligence from police, front line staff and local residents about the location dogs of concern are discussed and an appropriate level of action agreed and taken forward. This includes:

- No action to be taken and case closed (e.g. insufficient intelligence or seriousness of incident to warrant a BARK intervention).
- Referral – either to wardens/police for informal action or words of advice at a later date, or the RSPCA as an animal welfare issue.
- Warning letter – unacceptable behaviour has been reported, and a letter noting concern, but also providing offers of support and assistance is sent to the owner.
- Home visit – to follow up issues of concern by investigating on site and gathering more information. A home visit will also provide support, for example by micro-chipping the dog or providing welfare information.
- Antisocial behaviour action – will usually be preceded by a home visit. If the intelligence warrants it then action such as an acceptable behaviour contract, tenancy enforcement, or an injunction could follow.
- Seizure of dogs - This will follow on from a home visit, and will be conducted under warrant by the police, usually with the support of the Status Dogs Unit. Seizure of dogs will be undertaken using the Dangerous Dogs Act 1991 Section 1 (banned breeds) or under Section 3 of the same legislation where it has been evidenced that the dog is dangerously out of control.
- Further investigation or prosecution – will follow action from the police, and may be for breaches of earlier undertakings (e.g. maintaining court requirements of the dangerous dogs register, or for other criminal issues that have been identified via the BARK home visits.

Visits to addresses of concern are usually organised a maximum of two weeks after the BARK meeting is held, however, where a serious incident of a dangerous dog i.e. an attack is reported this is dealt with immediately by the police.

Basic operational principles of the Southwark BARK is shown below:



### 3.3.2 Achievements in 2010 to 2011

To date the BARK partnership has:

- Discussed over 100 cases
- Conducted 67 visits
- Issued 32 warning letters
- Issued 7 ABCs
- Issued 1 notice to seek possession
- Micro-chipped 21 dogs
- Executed over 8 warrants
- Seized 30 dogs (prohibitive breeds).

### 3.3.3 Access to new powers

As of January 2011 the police and local authority have access to new powers under the Policing and Crime Act 2009 whereby an application can be made to a county court for an injunction against an individual who has been involved in gang related violence. Gang injunctions allow courts to place a range of prohibitions and requirements on the behaviour or activities of an individual, one of these prohibitions can be that the individual is not allowed to own a dog. The partnership currently works closely with Southwark antisocial behaviour unit (SASBU) and will where possible recommend use of this specific prohibition where incidents of serious dog related ASB has been evidenced.

<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Livesey Museum Update and Options	
<b>Ward(s) or groups affected:</b>		Livesey	
<b>Cabinet Member:</b>		Councillor Veronica Ward Culture, Leisure, Sport and the Olympics	

## **FOREWORD – VERONICA WARD, CABINET MEMBER FOR CULTURE, LEISURE, SPORT AND THE OLYMPICS**

I believe now is the right time to review the decision taken in 2008 to close the Livesey Museum for Children. The museum provided a stimulating educational experience for all children in Southwark. Unfortunately Theatre Peckham was unable to take up use of the building when offered in 2008. Since May 2010 we have sought to find organisations that may be interested in re-creating a community based educational centre and have kept in touch with the Friends of the Livesey Museum for Children, who wish to see continued community education and cultural use for this building. We believe that enough interest has now been raised to re-open the search for an alternative user for this building which can work within the terms of the Trust.

## **RECOMMENDATIONS**

1. That officers be instructed to re-open the search for an alternative user for the building within the Objects of the Trust, with the requirements that:
  - Proposals must meet the original objectives of the Trust, i.e. a free public library or any other objectives of an educational or cultural nature
  - Proposals must be financially viable with secure and robust revenue arrangements as well as funding for any associated capital works that schemes may require
2. That officers report back to Cabinet on the outcomes of the search for an alternative user and options for the way forward.

## **BACKGROUND INFORMATION**

3. The London Borough of Southwark is the Trustee of the building on the Old Kent Road now known as the Livesey Museum for Children. The Museum was bequeathed by George Livesey, a local benefactor, to the Commissioners for Public Libraries and Museums for the Parish of Camberwell in 1890 as a free public library for the beneficiaries of the Trust. The conveyance states that *“the said commissioners shall hold the said hereditaments and premises upon Trust to permit the same to be used for the purposes of a Public Free Library for the benefit of and by the ratepayers, inhabitants and residents of the Parish of Camberwell”*. Southwark became the legal owner and Trustee of the building by means of statutory devolution. The Trust did not provide any revenue support for the running of the library. The beneficiaries are people living within the original geographical

- boundary of the Parish of Camberwell which includes the area known both now and at the time as Peckham, and is considerably larger than the area now known as Camberwell.
4. The Charity Commission has indicated that it is acceptable to extend the Objects of the Trust to include a broader educational benefit.
  5. During budget setting in February 2008, the Council took the decision to close the Livesey Museum for children alongside a series of other service reductions.
  6. The Council, as Trustee of the building is obliged to find an appropriate use for the assets of the Trust, which are the land and the buildings of the "Livesey" site at 682 Old Kent Road.
  7. The Council relocated its library provision to a nearby site in 1966 and the building closed to the public. The use of the building then changed from a public library to a Museum for Children when it reopened in 1974. At this stage, the Council became in breach of the Trust conditions.
  8. Following closure of the Livesey, the Council undertook a consultation process, with a view to approaching the Charity Commission with a cy-pres scheme seeking to alter the objectives of the Trust, which would allow the building to be used for educational or cultural use. It is known as a "cy-pres" scheme as the Charity Commission expected the Council to produce a scheme which would be as near as possible to the original objectives of the Trust. These are set out in full in paragraph 3 above.
  9. As part of this process, the Council undertook an exercise to identify potential users of the building following a consultation plan approved through the IDM process in September 2008. The following were identified as key criteria in considering bids submitted in response:
    - Proposals must meet the original objectives of the Trust, i.e. a free public library or any other objectives of an educational or cultural nature
    - Proposals must be financially viable with secure and robust revenue arrangements as well as funding for any associated capital works that schemes may require
  10. The following interested bodies were contacted as part of the consultation on the future of the Livesey.
    - Museums, Libraries and Archives Council London
    - Arts Council London
    - Dept of Culture, Media and Sports (DCMS)
    - Southwark Council Children's Service
    - Southwark Council Library Service
    - Theatre Peckham
    - Community Councils (Peckham, Camberwell and Rotherhithe)
    - Friends of the Livesey Museum for Children
  11. Three proposals were received and after careful consideration, the Executive agreed to progress the proposals of Theatre Peckham.

## KEY ISSUES FOR CONSIDERATION

### Update on progress

12. Theatre Peckham's (TP) proposal for the building included the creation of dance studios and rehearsal spaces, a conservatory in the garden area with a café facility and safe play area for children and parents, changing and toilet facilities, meeting room, storage space and potentially a lift to the first floor.
13. A financial plan was submitted as part of the TP proposal. The financial information provided included realistic levels of income through secured grants and achievable additional income through hires of refurbished space at the Livesey.
14. It was acknowledged that a significant amount of capital investment would be required to implement the ambitions set out in the proposal. A number of potential funders had been identified and the proposal made reference to positive feedback from one major Trust.
15. A feasibility study identified a cost of £5 million to complete the work necessary to bring the building into use for Theatre Peckham's purposes.
16. After taking advice from their appointed consultants, Theatre Peckham advised officers in May 2010 that they felt it unlikely that they would be able to raise this sum. Theatre Peckham identified two main reasons for this:
  - The retention of ownership of the building by the Trust has a negative impact on some potential funders since Theatre Peckham would never own the building
  - Difficulties in securing major investment during the recession.
17. This is a disappointing outcome for both the Council and Theatre Peckham and an alternative solution to the future of the Livesey now needs to be identified.
18. Since the withdrawal of the Theatre Peckham proposal, officers have held discussions with a range of potential building users. These include:
  - The Museum of Childhood at Bethnal Green
  - London College of Communications (LCC)
  - Morley College
  - Community activists
19. Discussions have been held with each of these organisations and most have viewed the building. None have yet made a formal offer or proposal to occupy the building. The Museum of Childhood has confirmed that the Livesey would not fit with their current strategy and the community organisations have not made formal proposals.
20. The building was briefly illegally occupied, but Council possession was secured through action in the County Court and the building is now secured through participation in the Guardian scheme.
21. As the Theatre Peckham proposal is no longer viable, and given the range of interest in the Livesey over the last 12 months, it is proposed to

again invite formal expressions of interest in the building, in order to determine the most effective option for its future.

22. Should no suitable alternative user come forward, Cabinet will need to consider other options for the future of the Livesey. These are likely to be either disposal and the proceeds ring-fencing to the Objects of the Trust or re-opening as a Museum for Children.

#### **Timetable for implementation**

23. Should Cabinet approve the proposal to re-commence the formal search for a new user, then the indicative timetable for implementation is set out below. This timetable also assumes a successful search for a user for the building. Should this not be the outcome of the search a report would come to Cabinet in November 2011 setting out alternative options.

Cabinet approval	June 21 <sup>st</sup> 2011
Call for expressions of interest	July 2011
Applications received by	September 2011
Assessments undertaken and report produced	October 2011
Cabinet report with recommendations	November 2011
Organisation on site	January 2012

#### **Financial implications**

24. As stated in paragraph 1, the intention of the preferred option is that the user of the building does not rely on the Council for either revenue or capital funding, i.e. is self funding. This option is therefore intended to be cost neutral to the Council. The search for an alternative user will in itself add no additional cost to Council, as Council officers will conduct the exercise.

#### **Community impact statement**

25. The purpose of the Trust is to ensure benefit for people who live within the boundaries of the former Parish of Camberwell. The original focus of this was the provision of a public library and discussions with the Charity Commission have focussed on redefining the objects of the Trust to sustain an educational/cultural benefit.
26. Any search for an alternative building user would need to ensure that services delivered would fulfil the Objects of the Trust.

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

##### **Strategic Director of Communities, Law & Governance (NC0311)**

27. As Trustee, the Council is under a duty to carry out the objects of the Trust in accordance with the Trust Deed and to act with the utmost good faith in all its dealings in the affairs of the Trust. This means the Council is required to avoid undertaking activities that would place the assets and funds of the Trust at undue risk.

28. As set out in the report, the Council holds the building on a charitable Trust for use as a free public library but has been in breach of Trust since the 1960s when the building ceased to be used as a Library. At that time the Council became subject to an obligation to apply for a cy-pres scheme to alter the objects of the Trust and this can only be done by means of an application to the High Court or the Charity Commission.
29. This application to the Charity Commission for the purpose of remedying the breach of Trust has been made and negotiation with the Charity Commission as to the terms of the cy-pres scheme is currently underway.
30. With regard to the possible transfer of the building for use within the objects of the Trust, Cabinet is informed that land held by a charity or in Trust for a charity cannot be conveyed, transferred, leased or otherwise disposed of without the order of the Court or the Charity Commission unless the disposition is exempted under the Act. In this case because of the need for a cy-pres scheme, the consent of the Charity Commission would be required before the transfer can take place.
31. The Charity Commission's published guidance suggests that local authorities acting as sole Trustees should be asked to consider stepping aside to allow a representative and non-conflicted board of Trustees to take their place. However, in a recent case, the Charity Commission found that it was appropriate for Dartford Borough Council to remain as Trustee of the continuing property of a Trust, since it was effectively marooned within other Council property.
32. However, the court found that inadequate governance mechanisms were in place to deal with the Council's potential for conflicts of interest. It ordered that the committee responsible for managing the property should include a quorum of non-conflicted members who are not otherwise connected to the Council. Should we re-open the building or continue the Trust it is likely that we will have to address this issue and form a management committee.
33. Alternatively, if the Council did not wish to burden the charity with this debt, it could use the well being powers under Section 2 of the Local Government Act 2000 to incur the expenditure required to bring the Livesey back into use. Section 2 of the Local Government Act 2000 gives a power to the Council to do anything it considers would, among other things, achieve the promotion or improvement of the social well being of its area. This includes a power to incur expenditure, give financial assistance or enter into any arrangement or agreement with any person. In deciding whether or not to exercise this power, the Council is required to have regard to its community strategy. It is noted that one of the strategic aims of the Council is promote the unique history and culture of the borough by encouraging active participation in local arts, heritage or cultural events. The use of the Council's money for the restoration and running of the Livesey as a Museum therefore appears to be permitted under Section 2 of the above Act.
34. Which ever scheme Cabinet decides upon, the Charity Commission would need to be satisfied that it is in the best interest of the charity and is as close to the original objects as possible. The Charity Commission would also wish to be satisfied that the new use of the building is suitable and effective in the light of the current social and economic circumstances.



**Finance Director (JS0511)**

35. This report recommends that the Council re-open the search for an alternative user for the Livesey Museum building within the Objects of the Trust, with a requirement that any proposals must be financially viable, both in revenue and capital terms. This search would be at no additional cost to Council. As highlighted in the comments of the Strategic Director Regeneration and Neighbourhoods the cost of the current “live in” guardian service is minimal but the cost of maintaining services and utilities to the building is significant.

**Strategic Director Regeneration and Neighbourhoods (PD0311)**

36. The Livesey building is currently occupied by “live in” guardians who provide security through occupation. Whilst the cost of this service is minimal the cost of maintaining services and utilities to the building is significant.
37. Since the closure of the Livesey Museum in 2008, this grade II listed building has incurred minimal expenditure with regard to ongoing repairs and maintenance. It is likely that upon any proposed re-opening, significant capital expenditure will need to be committed to make the building secure and compliant. Notwithstanding any adaptations that may also be necessary at that time.
38. The Livesey building was last valued by Drivers Jonas Deloitte, the Council’s external property advisors in August 2010. At that time they estimated the Market Value of the Freehold interest to be no less than £575,000.
39. A disposal of the property will incur fees to cover the sale and marketing. This is likely to be around 2% of the sale proceeds.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Executive Meeting - 16 December 2008 Report & Appendix : Livesey Museum - report on consultation and future options	160 Tooley Street, London SE1 2QH	Adrian Whittle Tel 020 7525 1577

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Veronica Ward, Culture, Leisure, Sport and the Olympics		
<b>Lead Officer</b>	Gill Davies, Strategic Director of Environment		
<b>Report Author</b>	Adrian Whittle, Head of Culture, Libraries, Learning & Leisure		
<b>Version</b>	Final		
<b>Dated</b>	9 June 2011		
<b>Key Decision?</b>	Yes	If yes, date appeared on forward plan	December 2010
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
<b>Strategic Director of Communities, Law &amp; Governance</b>	Yes	Yes	
<b>Finance Director</b>	Yes	Yes	
<b>Cabinet Member</b>	Yes	Yes	
<b>Date final report sent to Constitutional Team</b>			9 June 2011

<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Draft Affordable Housing Supplementary Planning Document	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

The report asks Cabinet to agree for consultation a new draft supplementary planning document on Affordable Housing.

Affordable housing is undoubtedly one of the most important issues in this borough. Southwark has one of the highest amounts of affordable housing in the country and is the largest landlord in London. We also have one of the best delivery track records of affordable housing in London, but with a long waiting list and major regeneration plans we need to build on this and continue to deliver more affordable housing.

The SPD aims to make it clear which core strategy, saved Southwark plan and area action plans now need to be used. It sets out the mechanisms for complying with our policies, including our new Core Strategy policy requiring student accommodation developments to provide affordable housing.

It also sets out our proposals for sites where developers do not believe they can provide on-site or off-site affordable housing and sets a high premium that developers must pay if they wish to commute that requirement to a payment. We are proposing that this “developers premium” would form the basis of an affordable housing fund for Southwark, which when combined with our own land holdings, will enable us to build more even more new and truly affordable homes in the borough.

If Cabinet agree, this document will go out for consultation until the end of September and a final version be adopted soon after that.

### **RECOMMENDATIONS**

That Cabinet

1. Consider and agree for consultation:
  - The draft Affordable Housing Supplementary Planning Document (SPD). appendix A)
  - The consultation plan (appendix B)
  - The Equalities Impact Assessment (appendix C)
  - The Sustainability Appraisal (appendix D)

## **BACKGROUND INFORMATION**

2. We have prepared a draft supplementary planning document (SPD) to provide more detail and guidance about implementation of our Core Strategy (April 2011) and Southwark Plan (2007) affordable housing policies. The SPD can not set new policy; it can only provide guidance on existing policies. The SPD will become part of the Local Development Framework and will be a material consideration in planning application decisions. The draft SPD will replace our existing adopted Affordable Housing SPD (2008). The revised SPD is required to respond to changes to national, regional and local policies, particularly the new Core Strategy.

## **Consultation**

3. The Planning and Compulsory Purchase Act 2004 (as amended by the Planning Act 2008) and our Statement of Community Involvement requires consultation to be ongoing and informal to guide the overall approach to consultation on the planning policy document.
4. The consultation plan (appendix B) sets out the consultation that will be carried out on the SPD. This is in accordance with the adopted Statement of Community Involvement.
5. The council will consult on the SPD from 14 June to 30 September 2011.

## **KEY ISSUES FOR CONSIDERATION**

6. Once adopted, the SPD will replace the existing adopted Affordable Housing SPD 2008.
7. The Core Strategy (April 2011) and Southwark Plan (2007) set out our local planning policies on affordable housing. The Affordable Housing SPD provides further guidance on the implementation of these strategic plans. In particular it provides guidance on the implementation of Strategic Policies 5 (Providing new homes), 6 (Homes for people on different incomes), 7 (Family homes), 8 (Student homes) and 14 (Implementation and delivery), Strategic Targets Policy 1 (Achieving growth) and Strategic Targets Policy 2 (Improving places) and the area visions of the Core Strategy and policies 2.5 (Planning obligations), 4.2 (Quality of residential accommodation), 4.3 (Mix of dwellings), 4.4 (Affordable housing), 4.5 (Wheelchair affordable housing), 4.6 (Loss of residential accommodation) and 4.7 (Non self-contained housing for identified user groups) of the Southwark Plan.
8. The Core Strategy defines affordable housing including explaining the two types of affordable housing: social rented housing and intermediate housing. The SPD provides further guidance on the strategic definitions of affordable housing to explain the criteria that must be met for housing to qualify as affordable housing. It also sets out when households are eligible for affordable housing and the income thresholds for each type of affordable housing.
9. The Core Strategy and Southwark Plan both set out an overview of why there is a need for more affordable housing in Southwark. The SPD provides further detail on the need for affordable housing, including how much affordable housing

we already have, where it is, and other initiatives we are carrying out to bring forward more affordable housing.

10. The Core Strategy and Southwark Plan set out Southwark's strategy for affordable housing, including requiring the maximum amount of affordable housing financially viable, meeting the overall and area housing targets, and having a split between social rented, intermediate and private housing. The SPD explains how the required percentage of affordable housing is calculated to meet these policy requirements.
11. The Southwark Plan sets out the required tenure split within the affordable housing. The SPD provides further guidance for smaller schemes which may not be able to meet this split due to management reasons.
12. The Core Strategy and Southwark Plan set out that all housing should be built to a high quality of design. The SPD provides further guidance on integrating affordable housing with private homes and ensuring all is built to a high standard of design. The SPD also sets out that all affordable homes must meet or exceed the minimum space standards set out in the SPD.
13. The SPD provides guidance on where affordable housing should be provided. It sets out that a sequential test should be followed with the presumption that affordable housing should be on the development site and only in exceptional circumstances should the affordable housing be located off-site or secured through a pooled contribution. The SPD sets out that where a pooled contribution is agreed this will be a minimum of £100,000 per required affordable habitable room and that this money will be used to deliver at least as much affordable housing as would have been required on-site applying the minimum 35% affordable housing policy.
14. The Core Strategy sets out the approach to affordable housing across the whole borough. The SPD provides more detailed guidance on specific types of schemes, including redevelopment of sites, phased schemes and mixed use schemes.
15. The Core Strategy housing background paper two sets out the agreed approach with the Greater London Authority on the replacement of affordable housing on estate regeneration schemes. The SPD provides further detailed guidance.
16. The Southwark Plan sets out the approach to non-self contained housing, meeting specific needs. The SPD provides further guidance on assessing whether such housing meets a specific type of need and whether it should be exempt from affordable housing requirements.
17. Core Strategy policy 8 requires schemes for student housing to provide an element of the development as affordable housing. The SPD explains how this policy will be implemented including the methodology for working out how much of the scheme needs to be affordable housing. The presumption is that the affordable housing should be provided as part of the student scheme.
18. The Core Strategy requires a minimum of 35% of developments of 10 or more units to be affordable housing. This is based on a robust evidence base. However, there may be some cases where applicants suggest that they cannot meet this policy requirement. The SPD sets out that in these cases, applicants

must submit a financial appraisal to justify why they cannot meet the policy requirement. The SPD provides guidance on the issues the appraisal must consider. It also provides guidance on how the council secures affordable housing through a section 106 agreement.

### **Financial implications**

19. This report seeks cabinet approval to submit draft Affordable Housing Supplementary Planning Document (SPD) and associated documents for consultation.
20. There are no financial implications arising from the adoption of this report. Many of the relevant Planning documents have been completed by existing establishment staffing resources within the Planning Policy business unit. Furthermore, any additional work required to complete the relevant documentation for publication will be carried out by the relevant Policy team without a call on additional funding.
21. Potential costs of any specific proposals arising from the adoption of this report shall be submitted as a separate report for consideration in line with the appropriate procurement protocol.

### **Community impact statement**

22. The purpose of the Core Strategy is to facilitate regeneration and deliver the vision of Southwark 2016 in a sustainable manner ensuring that community impacts are taken into account. The Affordable Housing SPD will help facilitate this.
23. An equalities impact assessment scoping report (appendix C) has been carried out alongside the preparation of the SPD to assess the impact the SPD will have on the different equality target groups.
24. A full sustainability appraisal has been carried out on this draft SPD (appendix D). This looks at the environmental, economic and social impacts of the SPD.

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

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

25. This report is being brought before Members' of the Cabinet under Part 3C of the Southwark Constitution 2010/11.
26. The role of the Cabinet in approving the consultation in relation to policy documents such as this SPD is a function reserved to the Cabinet under Para 21 of Part 3C of the Constitution.
27. The draft Affordable Housing SPD is now at consultation stage, accordingly, Members' of the Cabinet are requested to consider the documents set out in section 3 of this report and the comments made by Planning Committee and to approve the consultation of the draft Affordable Housing SPD in accordance with the recommendation of Planning Committee, [subject to the changes detailed in Table 1].

28. SPDs are local development documents under the new legislative framework established under the Planning and Compulsory Purchase Act 2004 and will form part of the planning framework for the borough. They may cover a range of issues, both thematic and site specific which expand upon policy or provide further detail to policies in development plan documents. They must not be used to allocate land. SPDs do not have development plan status and as such the presumption in favour of the development plan in section 38(6) of the 2004 Act does not apply to SPDs. This draft SPD complies with these principles.
29. SPDs have replaced supplementary planning guidance (SPGs) which were formerly adopted under PPG12 as informal non statutory guidance which set out more detailed guidance on the way development plan policies will be applied in particular circumstances. If consistent with the development plan and prepared in consultation with the public whose views are taken into account before the SPG was finalised, PPG12 advised that substantial weight could be placed on an SPG as a material consideration.

### **Procedural Requirements**

30. Under the new system, a detailed procedure for the adoption of SPDs is set out in Part 5 of The Town and Country Planning (Local Development) (England) Regulations 2004. Until an SPD has been adopted to replace an existing SPG, the SPG and guidance in PPG12 continues to apply. PPS12, the successor to PPG12, does not state how much weight should be given to new SPDs but it is likely that given their preparation under the new procedures involves proper public consultation, once adopted substantial weight may be placed on SPDs as a material consideration, in the determination of planning applications where relevant.
31. SPDs will not be subject to independent examination, however the legislation requires that they should be subjected to rigorous procedures of community involvement. PPS12 set out the criteria an SPD must conform with:
1. It must be consistent with national and regional planning policies as well as the policies set out in the development plan documents contained in the local development framework;
  2. It must be clearly cross-referenced to the relevant development plan document policy which it supplements (or, before a relevant development plan document has been adopted, a saved policy);
  3. It must be reviewed on a regular basis alongside reviews of the development plan document policies to which it relates; and
  4. The process by which it has been prepared must be made clear and a statement of conformity with the statement of community involvement must be published with it.
32. All the matters covered in SPDs must relate to and set out the further detail of policies in a development plan document or a saved policy in a development plan. They must therefore conform to the relevant development plan document (or saved policies), and thereby be consistent with national planning policy and generally conform, in London, with the spatial development strategy.
33. This SPD has been prepared in accordance with the Southwark Plan 2007, which is the adopted development plan for Southwark and which has been prepared so that it is in general conformity with the London Plan – the Mayor’s

spatial development strategy. At present, the Southwark Plan as the most recent adopted development plan document prevails in accordance with S38(5) of the Planning and Compulsory Purchase Act 2004. Southwark's Core Strategy was considered by an independent Inspector during an Examination in Public held in July 2010. The Inspector has issued his binding report and deemed the Core Strategy to be sound. His report was received on 28 January 2011 and it is likely that Southwark will adopt the Core Strategy.

34. Now the Inspector's binding report has been received, the Core Strategy, together with the suggested changes by the Inspector carries considerable weight. In the period before the Core Strategy is formally adopted, whilst the Southwark Plan remains the relevant statutory development plan, where the Core Strategy suggests a different approach when determining a planning application, the Core Strategy is a significant material consideration that should be taken into account.
35. Local planning authorities must comply with European Union Directive 2001/42/EC which requires formal strategic environmental assessment of certain plans and programmes which are likely to have significant effects on the environment. The directive applies to local development documents where formal preparation began after July 21 2004. It will also apply to all local development documents, as well as local plans/unitary development plans continuing under transitional arrangements whose preparation began before that date and, which are not adopted by July 21 2006. The directive has been incorporated into English law by virtue of the Strategic Environmental Assessment Regulations 2004. Local planning authorities must comply with these regulations as well as the regulations under Part 2 of the Act when preparing local development documents.
36. In addition, section 39 of the 2004 Act requires local development documents to be prepared with a view to contributing to the achievement of sustainable development. The 2004 Act requires regard to be had to national policies and guidance on sustainable development. The government's four aims for sustainable development are set out in PPS1 Creating Sustainable Communities paragraph 1.13. These are:
  - Maintenance of high and stable levels of economic growth and employment.
  - Social progress which recognises the needs of everyone.
  - Effective protection of the environment.
  - The prudent use of natural resources.

### **Sustainability Appraisal**

37. The Planning and Compulsory Purchase Act 2004 and Regulation 17 of the above regulations also requires sustainability appraisal (SA) of all emerging DPDs. The Town and Country Planning (Local Development)(England) (Amendment) (Regulations) 2009 provide that a SA report is no longer required if the respective issues are addressed at a higher policy level. Nonetheless, consistently with the Council's practice of preparing SA's for all of its SPDs to date an SA has been prepared. The purpose of the SA is to promote sustainable development through better integration of sustainability considerations into the preparation and adoption of plans. In accordance with this provision, a SA was prepared to ensure the wider impacts of the SPD policies were addressed. The



Sustainability Appraisal has informed the preparation of the draft Affordable Housing SPD and it is recommended that Members' approve the consultation of the document.

38. The sustainability appraisal is integral to the policy making process. It performs a key role in providing a sound evidence base for the policy and form an integrated part of the preparation process. The sustainability appraisal should inform the decision making process to facilitate the evaluation of alternatives and is attached in Appendix D. It should also help demonstrate that the plan is the most appropriate given the reasonable alternatives.

### **Consultation – Procedural Requirements**

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

### **Human Rights Implications**

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

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

42. Positive equalities obligations are placed on local authorities, sometimes described as equalities duties with regard to race, disability and gender.
43. Gender equality duties were introduced by the Equality Act 2006, which amended the Sex Discrimination Act 1975. The general duties in summary require local authorities to have due regard to the need to:
- (a) "eliminate unlawful discrimination and harassment and;
  - (b) promote the equality of opportunity between men and women."
44. Race equality duties were introduced by the Race Relations Amendment Act 2000 which amended the Race Relations Act 1976. The general duties in summary require local authorities to give due regard to the need to:

- (a) “eliminate unlawful discrimination and harassment;
  - (b) promote the equality of opportunity; and
  - (c) promote good race relations between people of different racial groups”
45. Disability equality duties were introduced by the Disability Discrimination Act 2005 which amended the Disability Act 1995. The general duties in summary require local authorities to carry out their functions with due regard to the need to:
- (a) “promote equal opportunities between disabled persons and other persons;
  - (b) eliminate discrimination that is unlawful under the Act;
  - (c) eliminate harassment of disabled persons that is related to their disabilities;
  - (d) promote a positive attitude towards disabled persons;
  - (e) encourage participation by disabled persons in public life; and
  - (f) take steps to take account of disabled person’s disabilities even where that involves treating disabled persons more favourably than other persons.”
46. Section 71 of the Race Relations Act 1976, section 49A(i) of the Disability Discrimination Act 1995 and section 76A of the Sex Discrimination Act 1975, require local authorities to act in accordance with the equalities duties and have due regard to these duties when we are carrying out our functions, which is particularly important in the context of the Interim Policy as it will be important to ensure and continue to monitor that it does foster the creation of mixed communities.
47. Equalities have been considered as part of the development of the draft Affordable Housing SPD and an Equalities Impact Assessment (EqIA) has been carried out. Further EqIAs will be undertaken to assess the implications of applying the policy. EqIAs are an essential tool to assist councils to comply with equalities duties and ensure they make decisions fairly. The council’s EqIA process goes beyond our current equalities duties to incorporate religion/belief, sexual orientation and age.
48. The EqIA in respect of the draft Affordable Housing SPD considered the impact of the proposed policy on groups who may be at risk of discriminatory treatment and has regard to the need to promote equality among the borough’s communities

### **Finance Director**

49. This report asks the Cabinet to consider and agree the draft affordable supplementary planning document.
50. Although there are no financial implications directly attributable to this report, any costs arising from the implementation of this report should be reported for approval by the Cabinet.

**BACKGROUND DOCUMENTS**

<b>Background papers</b>	<b>Held at</b>	<b>Contact</b>
Core strategy April 2011	160 Tooley Street, London SE1 2QH	Sandra Warren 0207 525 5471
Affordable housing supplementary planning document 2008	160 Tooley Street, London SE1 2QH	Sandra Warren 0207 525 5471
Statement of Community Involvement 2007	160 Tooley Street, London SE1 2QH	Sandra Warren 0207 525 5471

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	Draft Affordable Housing Supplementary Planning Document (appendices A - D circulated separately)
Appendix B	Consultation Plan
Appendix C	Equalities Impact Assessment
Appendix D	The Sustainability Appraisal

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Regeneration and Corporate Strategy	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Author</b>	Julie Seymour, Head of Planning Policy	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Departmental Finance Manager	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	9 June 2011	

<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Authorisation of Debt Write-offs over £50,000 for National Non Domestic Rates – Revenues & Benefits Service	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone - Finance, Resources & Community Safety	

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

National non domestic rates, known locally as business rates are collected from businesses in the borough by the council and paid into a central government pool and then redistributed to the council as part of the annual grant settlement.

The council is responsible for collecting approximately £200m of national non domestic rates on behalf of the government and take appropriate enforcement action where needed to ensure that collection performance is high.

Historically, collection rates have been high with an improved performance in 2010/11 of 97.7%. This demonstrates that the council is acting diligently and effectively in collecting the business rates for the government.

However, there will be cases where businesses cease to trade due to becoming insolvent or dissolved where it has been decided it is not financially viable to continue to operate. In a small number of cases the amount of rates will be considerable as they are calculated on the rateable value of the property occupied.

The council will only consider writing off debt where it is deemed to be irrecoverable to collect. The cost of business rates write off's is borne by the government and not the council or the taxpayers.

**RECOMMENDATIONS**

1. That approval is given for write off of the debt of £2,763,733.26 for 4 debts which are irrecoverable.
2. That cabinet advise any further action they require on the write-off not agreed within the report.

**BACKGROUND INFORMATION**

3. Under the councils constitution write-off of debts above £5,000 but below £50,000 has been delegated to individual members within their own service area. Debt write-off under £5,000 can be authorised by chief officers. Write off of any debt over £50,000 must be referred to cabinet for authorisation.
4. There are a number of key reasons why the council may wish to write-off a debt. These are:

- i. The debt cannot be substantiated i.e. there is no documentary evidence that the debtor accepted the goods or services with the knowledge that a charge would be made.
- ii. The debt is uneconomic to collect i.e. the cost of collection, including substantiation, is greater than the value of the debt.
- iii. The debt is time barred, where the statute of limitation applies. Generally this means that if a period of six years has elapsed since the debt was last demanded, the debt cannot be enforced by legal action.
- iv. The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor.
- v. The debtor is deceased and there is no likely settlement from the estate or next of kin.
- vi. Hardship, where permitted, (not hardship relief) on the grounds that recovery of the debt is likely to cause the debtor serious financial difficulty.
- vii. Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

5. The proposed write offs set out in this report are recommended in accordance with the council's agreed write off policies and procedures. The reasons for each recommended write off are stated in the appendices attached.
6. The national non-domestic rates (NNDR) write-offs have been recommended by the council's NNDR Business Unit. In each case and where appropriate the business unit has attempted to trace account holders via a standard procedure as follows: -
  - Interrogation of the NNDR database.
  - Interrogation of the Document Imaging System
  - Tracing letters issued to other local authorities & solicitors.
  - Inspection of the domestic or business premises.
  - Land Registry searches.
  - Companies House searches
  - Tracing letter to landlords or letting/managing agents & directors
  - Letter sent to the Official Receiver for confirmation of any dividends to be paid
  - Checks made with other Council Departments
7. The NNDR business unit use a minimum of three tracing methods and conducts a 10% audit review of cases under £5,000 and a 50% audit review of cases £5,000 to £50,000 and 100% on cases over £50,000 to ensure that the correct procedures have been adhered to.

### **Resource implications**

8. The total non-domestic rates debt recommended for write off is £2,763,733.26 for 4 debts which are irrecoverable. Two relate to companies in liquidation, one is dissolved and the other is irrecoverable due to billing errors.

9. The above debt will be contained within the NNDR bad debt provisions.
10. As per paragraph 3 the schedule of write-offs has been compiled in accordance with the council's agreed policy and procedures.
11. The debt is recommended for write-off, as it is considered irrecoverable or uneconomic to collect.
12. The recommended write-off of £2,763,733.26 for national non-domestic rates will be contained within the council's relevant bad debt provisions.

### **Community impact statement**

13. This decision has been judged to have no or very small impact on local people and communities.

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

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

14. The report recommends that the debt as set out the closed report is written off in accordance with the council's procedures on debt write-off. Further details on the circumstances giving rise the write off are contained within the closed report.
15. The approval of debt write-offs for sums over £50,000 is reserved to the cabinet for collective decision making. This particular debt has arisen as a result of non payment of non-domestic rates.
16. The report sets out the circumstances whereby debts can lawfully be written off by the council and these include cases where a company has been dissolved or has gone into liquidation and there are no assets to claim against. Of the three companies in the closed report two are in liquidation and have no assets from which the monies owed to the council can be recovered and one has been dissolved. In such circumstances to pursue the debt would be a difficult and costly exercise with very little or no chances of success.
17. The strategic director of communities, law & governance agree with the recommendation that this debt should be written off in accordance with procedure and is lawful.

#### **Finance Director (FIN0347)**

18. As per paragraph 3 the schedule of write-offs has been compiled in accordance with the council's agreed policy and procedures.
19. This report recommends the write off of four debts, each falling within the range reserved for member decision. Each debt meets one or more of the criteria for write-off and the finance director considers that it would be uneconomic to make any further attempt at recovery.
20. The recommended write-off of £2,763,733.26 will be contained within the council's bad debt provisions. The amount will be met from the NNDR Rating Pool and the cost is not borne by the council or council taxpayers.
21. As per paragraph 3 the schedule of write-offs has been compiled in accordance with the council's agreed policy and procedures.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
National Non Domestic Rates Customer Account (closed documents)	Revenues & Benefits 1st Floor, Hub 3, Tooley Street, SE1 2QH	Norman Lockie 020 7525 0928

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Finance, Resources and Community Safety	
<b>Lead Officer</b>	Duncan Whitfield, Finance Director	
<b>Report Author</b>	Norman Lockie, Revenues Manager	
<b>Version</b>	Final	
<b>Dated</b>	8 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Support Services</b>	8 June 2011	

<b>Item No.</b> 18.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Disposal of Site 19 Elephant & Castle	
<b>Ward:</b>		Cathedrals	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

The decision is another significant step towards moving from vision to reality for the Elephant & Castle regeneration project.

Last November we decided to building a new leisure centre for the Elephant including a long awaited 6 lane 25m swimming pool, a learner pool, a 4 court sports hall, a gym and an exercise studio. We agreed this would be part funded by the council’s own resources and part by the sale of part of the site next to the Tabernacle.

I am delighted that officers are recommending a sale that achieves best consideration for the land and makes a significant contribution towards covering the cost of the new leisure centre. It is also an excellent opportunity for our regeneration partner Lend Lease to bring forward a high profile development at the heart of the town centre as a taste of the regeneration to come.

**RECOMMENDATIONS**

That Cabinet agrees:

1. The council enters into an agreement to transfer part (parcel B on the accompanying plan) of the existing leisure centre to Lend Lease (Elephant and Castle) Ltd (“LL”) on the principal terms set out in the closed version of this report.
2. The Head of Property be delegated to agree the detailed terms of the agreement for lease and subsequent lease or if appropriate freehold transfer.
3. In accordance with section 122 of the Local Government Act 1972 the land shown edged on the plan at the appendix to this Report is appropriated from the purpose of leisure to planning purposes and in particular purposes set out in section 237 of the Town and Country Planning Act 1990.

**BACKGROUND INFORMATION**

4. The current Elephant and Castle Recreation Centre is shown edged red on the plan at the appendix to this report. On 23 November 2010 Cabinet approved funding for the regeneration of the Centre. A substantial element of funding will be achieved through the sale of part of the site for residential development. The site has an area of 7,570m<sup>2</sup>. The part of the site that will provide the new leisure



centre is parcel A on the plan and parcel B is to be disposed of for new housing. Parcel A has an area of 3,890 m<sup>2</sup> and parcel B has an area of 3,680 m<sup>2</sup>.

5. LL, the council's regeneration partner for the Elephant and Castle has approached the council to take forward the residential development aspect and following negotiations the principal terms set out in the closed version of this report are recommended to Cabinet.
6. A report was made to the Cabinet on 7 July 2010 setting out the rationale for regenerating the Leisure Centre. This established the principle of part of the existing site being disposed of to cross-fund the regeneration. The November 2010 report sets out further details of the mechanics of the regeneration and confirmed that part of the site be disposed of to provide capital funding.

### **KEY ISSUES FOR CONSIDERATION**

7. The approach to the regeneration of the existing leisure centre approved in earlier reports is that it will be by way of two elements: the new leisure centre and adjacent new housing. There will be separate partners for each element but a single planning application will be jointly submitted by them covering their respective elements. Subject to an IDM by the Cabinet member for finance, resources and community safety the Local Education Partnership provider 4 Futures will initially take forward the new leisure centre on the council's behalf.
8. The Leisure Centre site is held by the council's general fund and therefore any disposal is governed by section 123 of the Local Government Act 1972 that requires a sale to take place at best consideration. It is usual practice to expose such sales to competition for instance by auction or tender to satisfy this obligation. However in this case it has been decided to negotiate directly with LL for the following reasons:
  - They are the council's partners for the wider Elephant and Castle regeneration.
  - They are a special purchaser because of their wider interest in the Elephant and Castle area and may offer higher consideration to secure a prominent development opportunity as a shopping window for the wider regeneration.
  - Certainty of receipt, as highlighted in last July's report certainty of receipt is very important, LL is considered unlikely to make an inflated offer that will ultimately not proceed and their financial status and track record has already been evaluated as part of their selection as partner for the wider regeneration.
  - The partner taking forward the residential aspect will have to work in tandem with the council's leisure centre partner in both submitting a joint planning application and construction terms, it is considered that existing relations with the council means LL is better placed than others to succeed in this.
9. As the regeneration opportunity has not been exposed to market competition an independent valuer was instructed to confirm the terms offered satisfies best consideration. Such confirmation has been received. It is therefore considered the proposal satisfies the council's best consideration obligation under section 123 of the Local Government Act 1972.

10. The boundary between parts A and B of the site is indicative at the present time and may need to be varied once design proposals for the proposed new leisure centre and residential development are developed.
11. Whilst LL is the council's partner for the wider regeneration of the Elephant and Castle, this site and the proposed transfer is outside of the remit of the regeneration agreement and is not bound by its provisions.
12. At this time, only principal terms for the proposed agreement to dispose of the residential part of the site can be reported to Cabinet for approval. If these are approved there will be a series of negotiations between the parties to finalise and agree the detailed terms. It is recommended that the Head of Property be delegated authority to agree these terms.

### **Appropriation of the site for purposes set out in s237 of the Town and Country Planning Act 1970**

#### **Background to appropriation**

13. The appropriation of land and buildings refer to the process whereby a council alters its purposes for holding those land and buildings. The power to appropriate is contained within section 122 of the Local Government Act 1972
14. Section 237 of the Town & Country Planning Act 1990 [s237] provides that where a council acquires land or appropriates land for planning purposes the development of the land may override third party rights enjoyed over the land. The beneficiaries of such rights may however claim compensation [equal to the loss in value of their property caused by losing the right] but cannot seek an injunction to delay or terminate the development. However, if there is an adverse effect in value of their property from the loss of that right, they may have a claim for compensation. Provision has been made for this in the proposed transfer to LL, paragraph 3 (vii) of the closed report refers.
15. If having appropriated or acquired land for planning purposes a council transfers that land to another party perhaps a house builder, that other party will benefit from being able to override third party rights during construction work. This is important to those building or having construction work carried out because it gives them certainty the work will not be stopped as a result of a third party obtaining an injunction from the court. Such an injunction could severely delay the construction project and give rise to considerable additional financial costs.
16. Prior to developing land it is practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there are any obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of s237 therefore mitigates this risk.
17. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land but if that owner does not meet this obligation then the compensation claim can be enforced against the local authority.

### **Rationale for appropriating the subject site**

18. In the Core Strategy the current leisure centre site forms part of the Elephant and Castle Core Area [currently referred to as site 39P in the Southwark Plan]. The Southwark Plan identifies a specific need for a leisure centre within this site and this requirement is retained as part of the Core Strategy. Residential development is generally an acceptable use throughout the core site. A mixed development comprising a new leisure centre and residential is therefore acceptable in principle on the subject site. As set out in the report approved by Cabinet on 7 July 2010, it is council policy for the subject site to be regenerated for new leisure and housing in pursuance of the Core Strategy. Therefore it is more appropriate that the council holds the site for planning (to effect the regeneration) purposes rather than for leisure purposes (the current position).
19. The appropriation of the land for planning purposes will bring forward its regeneration and give more certainty because the risk of persons holding third party rights being able to obtain an injunction to stop the regeneration will be negated. However, as set out in paragraph 14 beneficiaries of such rights will be entitled to claim compensation.

### **Policy implications**

20. The provision of leisure facilities is part of the Elephant and Castle regeneration. It is also a specific policy (4.26) in the adopted Core Strategy.

### **Community impact statement**

21. The Elephant and Castle regeneration has been the subject of extensive consultation and the recommendations in this report will result in additional consultation as will the planning application for the overall regeneration of the area. A full Equalities Impact Assessment for the overall regeneration has previously been carried out and will be reviewed at the time of a planning application for the overall regeneration.

### **Resource implications**

22. The cost of effecting the recommendations can be accommodated within the existing approved budget for the Elephant and Castle regeneration.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

23. Legal advice in relation to recommendations 1 and 2 is set out in the closed version of this report. In relation to recommendation 3, Cabinet it advised that Section 122 of the Local Government Act 1972 provides that a council may appropriate land from one purpose to another if immediately before the appropriation the land is no longer required for the purpose for which it is held. The land is held for leisure purposes but is now required for development for planning purposes.
24. Once appropriation has taken place, Section 233 of the Town and Country Planning Act 1990 ("the 1990 Act") enables the council to dispose of the land appropriated for planning purposes to such person in such manner and subject to such conditions as appear to the council to be expedient in order to secure the

best use of the land or to secure the erection, construction or carrying out on it of any buildings or works appearing to be needed with the proper planning of the council's area. The consent of the Secretary of State is needed where the disposal is for less than the best consideration that can reasonably be obtained, except in the case of short leasehold interests. Before disposing of any land consisting of or forming part of an open space, the council will need to publish a notice of their intention to do so for at least two consecutive weeks in a newspaper circulating in the area and consider any objections.

25. Section 237 of the 1990 Act allows works to be carried out on land appropriated for planning purposes as long as such works are in accordance with planning permission, even though these works will interfere with an interest or right affecting the land or involve a breach of a restriction as to the use of the land under contract. Compensation is payable where loss has been suffered as a result of the interference with any such rights.

### Finance Director

26. This report recommends transferring part of the existing leisure centre at Elephant and Castle to Lend Lease Ltd. Paragraph 9 confirms that the terms offered satisfies best consideration requirements.
27. Paragraph 6 refers to the report to Cabinet in November 2010 which detailed how the sale of the residential component at the front of the site is intended to be reinvested to deliver the leisure facility at the rear.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Correspondence file	Property Services 160 Tooley Street SE1 2QH	Patrick McGreal 0207 525 5626
Cabinet report of 7 July 2010	<a href="http://moderngov.southwarksites.com/mgConvert2PDF.aspx?ID=10879">http://moderngov.southwarksites.com/mgConvert2PDF.aspx?ID=10879</a>	
Cabinet minute of 7 July 2010	<a href="http://moderngov.southwarksites.com/ieDecisionDetails.aspx?AllId=8877">http://moderngov.southwarksites.com/ieDecisionDetails.aspx?AllId=8877</a>	
Cabinet report of 23 November 2010	<a href="http://moderngov.southwarksites.com/mgConvert2PDF.aspx?ID=14160">http://moderngov.southwarksites.com/mgConvert2PDF.aspx?ID=14160</a>	
Cabinet minutes of 23 November 2010	<a href="http://moderngov.southwarksites.com/mgConvert2PDF.aspx?ID=3334&amp;T=1">http://moderngov.southwarksites.com/mgConvert2PDF.aspx?ID=3334&amp;T=1</a>	

### APPENDIX

No.	Title
Appendix 1	Land ownership plan

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Regeneration and Corporate Strategy	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Author</b>	Patrick McGreal, Property Services	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS/ DIRECTORATES/ CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	9 June 2011	

# Draft pdf source

TITLE. Elephant and Castle Leisure Centre.



DRAWING No. LBS\_2601

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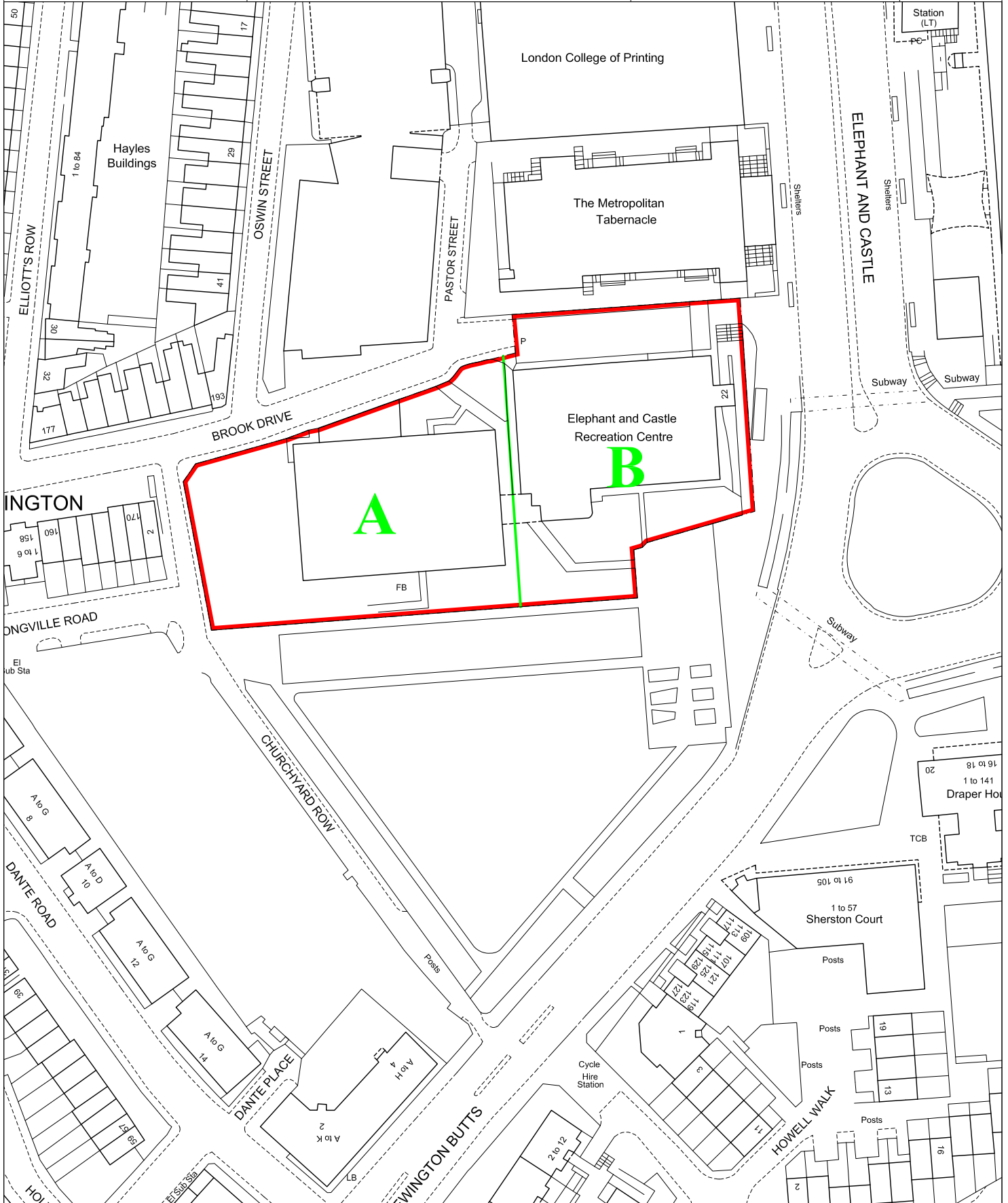
DRAWN BY. MMANKTELOW  
Property Division

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<b>Item No.</b> 19.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Improved terms for the sale of sites A and B at Canada Water	
<b>Ward(s) or groups affected:</b>		Rotherhithe	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

I'm delighted to present the report below which bring some significant and welcome improvements to the terms of the sale of sites A & B in Canada Water, due to a new electricity supply no longer being required, and also reports on the achievement of planning overage on the sale.

### **RECOMMENDATIONS**

That Cabinet:

1. Approves the changes to the contract for the sale of site A and most of site B at Canada Water (see the plans attached as appendixes 1 and 2) as set out in paragraph 6.
2. Notes the level of planning overage to be paid to the council as detailed in the report on the closed agenda.

### **BACKGROUND INFORMATION**

3. In April 2005 the council entered into a development agreement with British Land Canada Quays Ltd. (BLCQ) to bring about the comprehensive regeneration of the six sites shown at appendix 3. The development was to be delivered in phases in accordance with a masterplan to be prepared by BLCQ, who was also to deliver planning consent for the scheme. BLCQ are responsible for the day-to-day conduct of the project including the marketing for sale of council land. Costs are charged to a development account and recovered from the receipts from land sales.
4. At its meeting on 18 December 2007 the Executive agreed in principle to the sale of site A and most of site B at Canada Water and delegated to the Head of Property authority to agree the final terms provided they represented best consideration.
5. Those negotiations concluded on 21 December 2007 with the signing of a contract of sale and for the purposes of this report the key terms are as follows:
  - The sale is a tri-partite agreement between the council, its strategic

development partner BLCQ and the purchaser BDW Trading Ltd (who trade as Barratt Homes).

- The sale price includes planning overage that is calculated on the amount of residential floor space over a set level that is granted planning consent less certain costs.
- Barratt shall provide a new 11KV high voltage electricity supply to the area to serve their site and other development sites in Canada Water.
- The council and BLCQ shall make a contribution towards the cost of the new supply.
- Barratt shall make a contribution towards the cost of creating a new public plaza on part of site B around the new Canada Water library.
- BLCQ shall construct the new plaza.

6. For the reasons explained below this report recommends that a deed of variation be entered into that will amend the sale contract dated 21 December 2007 as follows:

- To remove the obligation on Barratt to provide a new 11KV high voltage electricity supply and the corresponding obligation on the council to contribute towards the cost of that supply.
- That Barratt's contribution towards creating the new plaza should be increased, which shall be payable on or before 4 July 2011.

7. Cabinet is also asked to note the final agreement with Barratt on the level of planning overage. The overage shall be payable on or before 4 July 2011.

#### **High voltage electricity supply**

8. At the time of the marketing of sites A and B it was known that the local electricity network was operating at capacity. EDF had confirmed that they could increase capacity by taking an 11KV supply from the Deptford major substation. Throughout this period the Deptford option was the only solution offered by EDF.
9. An 11KV supply was significantly more capacity than required by Barratt and so as part of the sale negotiations it was agreed the council and BLCQ would make a contribution towards the cost.
10. After the sale of the land to Barratt it was discovered that EDF had allocated the Deptford supply to another customer so that a new option was needed. Barratt pursued their own solution and eventually resolved the problem by arranging for a new supply from the Neckinger substation. But the new supply had a significantly lower capacity.

#### **Plaza contribution**

11. Sites A and B were sold with the benefit of outline planning permission for the residential elements and detailed consent for the public realm. The s106 package included obligations on the timing of completion of the public realm and the quality of the scheme.
12. In order to ensure the quality of the plaza and good co-ordination with construction of the library it was decided that BLCQ should take on delivery of the plaza with Barratt making a contribution towards the cost.



**Planning overage**

13. Sites A and B were sold with outline planning permission for the residential elements and it was open to Barratt when making their detailed application to increase the quantum of development. The sale therefore included an allowance for planning overage, which is calculated according to a formula.
14. The details of the planning overage are set out in the report on the closed part of the agenda for this meeting.

**KEY ISSUES FOR CONSIDERATION**

15. There are two issues to deal with in this report: the obligation on Barratt to provide an electrical supply; and, the timing of payment of the additional plaza contribution and the planning overage.
16. The substantive issue is how to deal with Barratt's inability to deliver on their contractual obligation to provide the 11KV supply, in which regard there appear to be two basic courses of action open to the council:
  - Seek to insist that Barratt provides the supply.
  - Release them from the obligation to provide the supply.
17. For a number of reasons it is considered in the best interests of the council to release Barratt from their obligation:
  - In return for releasing them from the obligation Barratt has agreed to make an additional contribution towards the new plaza.
  - The obligation to provide the supply arose in the first place as a response to EDF only offering one option for a new supply to sites A and B. If in 2007 EDF had offered to make available a supply with a capacity that matched Barratt's need the supply would not have become an issue for the contract of sale.
  - To insist on Barratt providing the additional supply would expose the LBS / BLCQ development account to a financial contribution.
  - There is no immediate need for the additional supply and should that need arise in the future individual landowners and developers would be free to make their own arrangements with a utility company.

**Policy implications**

18. There are no particular policy implications arising from the recommendations in this report.

**Community impact statement**

19. There are no particular community impacts arising from the recommendations in this.

**Resource implications**

20. The resource implications are set out in the report on the closed part of the agenda for this meeting.

## Consultation

21. There has been consultation with officers from legal services and finance.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Strategic Director of Communities, Law & Governance

22. The original development agreement and the sale agreement arising from it were the subject of Executive decisions, with the Head of Property having delegated authority to agree the final terms of the sale agreement, provided these represent best consideration.
23. The proposed variations to the sale agreement do not affect the consideration paid for the disposal of the land, but do affect other payments to be made by the council in respect of the electrical supply and to the council in respect of overage and plaza works.
24. The net adjustment to the council's eventual receipt, taking into account the amount to be paid to the council and the release of the council from its obligation to pay out money in respect of the electricity supply, exceeds the extent of the authority delegated to the Head of Property pursuant to section 3P of the council's constitution and this is why the matter has been referred to cabinet for approval.
25. It is not considered that there are any adverse legal implications from entering into the proposed variation to the sale contract.

### Finance Director

26. This report recommends the approval of changes to the contract for the sale of sites at Canada Water, and notes the level of planning overage to be paid to the council.
27. In return for releasing Barratt from their obligation to provide an 11KV high voltage electricity supply, they have agreed to make an additional contribution towards the costs of the new plaza.
28. In addition to the receipt identified above, the Council is released from its obligation to pay its share towards a new electrical supply. This has a positive consequence for the council by way of an increase to the net receipt received from the sale of land at Canada Water.
29. The arrangements for the payment of these various sums are set out in the report on the closed part of the agenda for this meeting and are considered acceptable.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Canada Water project working papers	Council offices, Tooley Street	James Oates on 020 7525 5633

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Plan of site A at Canada Water
Appendix 2	Plan of site B at Canada Water
Appendix 3	Plan of six contracted sites at Canada Water

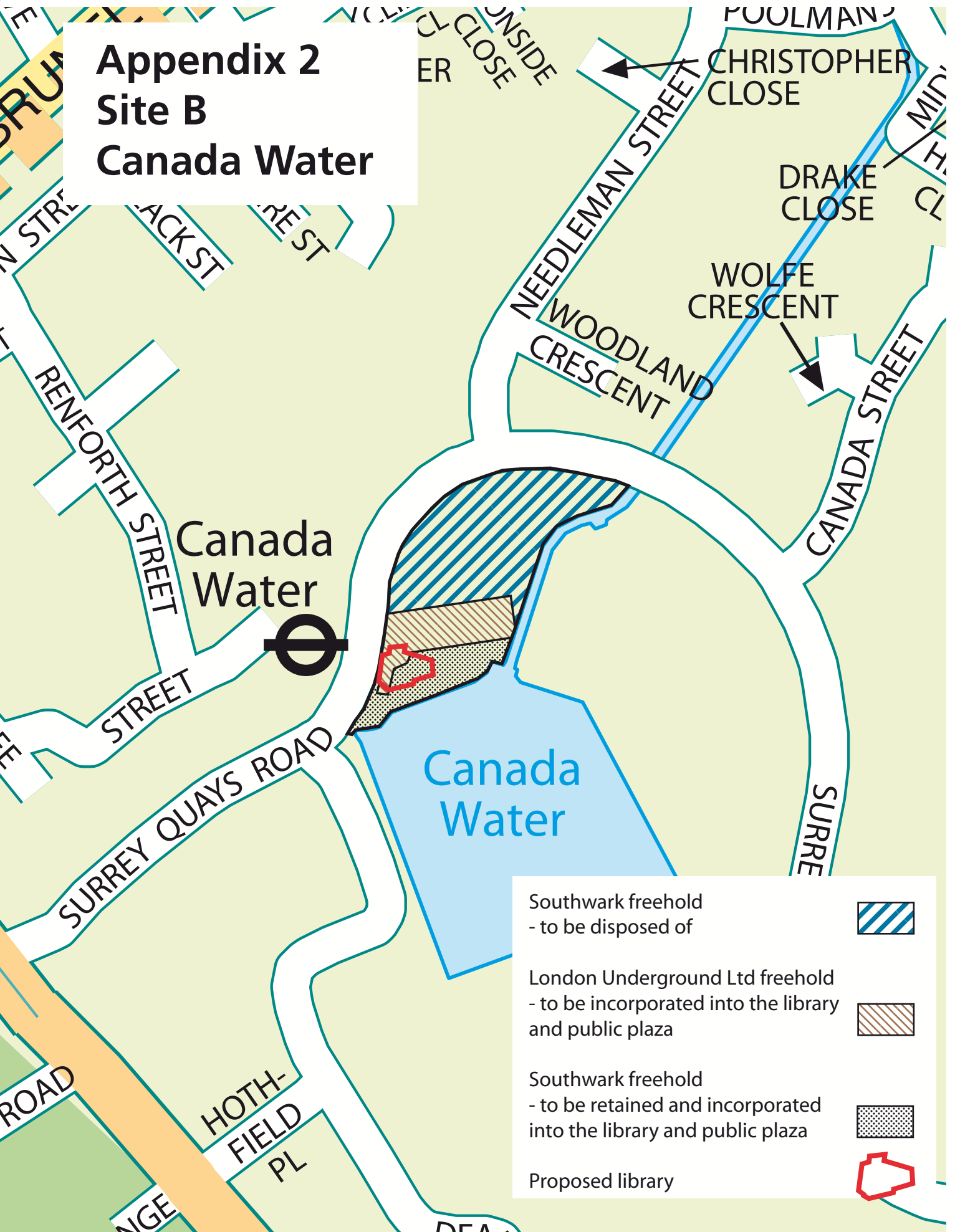
**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Regeneration and Corporate Strategy	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Author</b>	James Oates, Canada Water Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	9 June 2011	

**Appendix 1  
Site A  
Canada Water**



# Appendix 2 Site B Canada Water



# Appendix 3 Strategic Development Agreement Sites



<b>Item No.</b> 20.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Combined Gateway 1 Procurement Strategy Approval and Gateway 2 Contract extension award for three parking and traffic enforcement contracts	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Cabinet Member for Transport, Environment & Recycling	

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

This report asks the Cabinet to approve the procurement of three new contracts for parking services. In effect it secures the short term replacement of the existing services which end in July 2011 to the end of June next year allowing the Council sufficient time to procure a longer term replacement service, with the possibility of that service being procured jointly with a neighbouring. I am satisfied that in agreeing this report cabinet will be making provision for the Council to secure a contract which will both reduce costs and improve its current services in the long term.

### **RECOMMENDATIONS**

1. That the Cabinet approves the procurement strategy outlined in this report for the parking and traffic enforcement contracts.
2. That the Cabinet gives approval to allow negotiation with a single supplier in line with Contract Standing Orders (CSO 4.3.3).
3. That the Cabinet approves the award of three parking and traffic enforcement contracts to APCOA Parking UK Ltd for a period of one year (with a six month extension. The awards will be effected by way of a variation to the existing contracts. The new contract period will therefore run from 1 July 2011 to 30 June 2012.

### **BACKGROUND INFORMATION**

4. On the 21 September 2010 the cabinet approved a Gateway 1 – Initial procurement strategy for parking services; as a result parking services has been investigating joint working with other local authorities and initial market testing. This extension allows parking services time to deliver on the ideas contained within the Gateway 1 from 21 September 2010.
5. The initial market testing took place in December 2010 and was carried out jointly with Lewisham Council attending. The result of the market testing has shaped a new Gateway 1 report for Cabinet approval which recommends the future strategy for parking enforcement services for Southwark Council.

6. Lewisham Council have extended their parking services contract to 30 June 2012, in order to allow the two councils the opportunity to go to tender for a joint service contract.
7. London Borough of Southwark currently operates three parking services enforcement contracts. The current contract values are as follows:
  - parking and traffic enforcement (including on street walking and mobile parking and traffic enforcement, fixed and mobile enforcement using CCTV and school crossing patrols
  - car pound and vehicle removal service and housing enforcement variation
  - the parking business support contract (provides IT, back office parking services, web payment interfaces, telephone enquiry line and as an extension cashless parking services).
8. In addition there are two following service areas which are currently undertaken on an ad hoc basis:
  - Abandoned vehicles contract; it is intended that APCOA will carry out this role in the car pound and vehicle removal contract.
  - Bailiff services have been jointly procured with the Revenues and Benefits Service, which has been recently completed.
9. The current parking and traffic enforcement, car pound and removal service (including estates) and the parking business support contracts expire on 30 June 2011.
10. An agreement has been reached to reduce the costs of the estate enforcement contract which changes in nature from 07 March 2011. The new arrangement is that the costs that APCOA charge for estate parking enforcement will be based on the number of clamps paid and will therefore be below the revenue received from this enforcement. The estate contract should operate at a surplus.
11. The Parking business support contract has also been subject to new arrangements following the adoption of a new customer services model in December 2010, which led to the subsequent closure of the parking shop.
12. The contract term is for 12 months with a six month extension. Before this contract commences, a new gateway 1 report will be produced in June 2011 to start a public procurement exercise to secure a long term contract for this service.
13. The extension will allow officers to deliver the Gateway 1 parking enforcement strategy to be approved by Cabinet.

**Summary of business case/ justifications for the procurement**

14. APCOA have several interfaces with Council systems built and it would be uneconomic to replicate these for a twelve month contract with a six month extension. Due to the specialist nature of the services which are contained within the current parking and traffic contracts it is not possible for another service provider to provide these services at a lower price for such a short contract period.



### Options for procurement including procurement approach

15. The option to begin complete procurement during 2010 was considered but as in the Gateway 1 initial procurement strategy it was appropriate to consider alternative ways of providing this service. The Council will use its appropriate powers to extend the current contracts to 30 June 2012.
16. For the longer term contract a procurement process will take place and will be completed before the end of this extension period. Extending our existing contracts for that period will be most economically advantageous.

### Timetable of procurement process

Activity	Completed by/Complete by:
DCRB/CCRB Review Gateway1: Procurement Strategy report	March 2011
Approval of Gateway 1 and 2: Contract extension award for three parking and traffic enforcement contracts	21/05/2011
Completion of tender documentation	Single provider
Completion of evaluation of APCOA's proposals	March 2011
DCRB/CCRB Review Gateway 2: Contract award report	March 2011
Approval of Gateway 1 and 2: Contract Award Report	21/05/2011
Contract award	June 2011
Add to Contract Register	June 2011
Contract start	01/07/2011
Contract completion date	30/06/2012
DCRB/CCRB Review Gateway1: Procurement Strategy report	May 2011
Approval of Gateway 1: Procurement Strategy Report	21/06/2011

**Indicative timetable for new contracts**

<b>Activity</b>	<b>Complete by:</b>
Forward Plan (if Strategic Procurement)	30/10/2010
DCRB Review Gateway 1: Procurement strategy approval report	14/04/2011
CCRB Review Gateway 1: Procurement strategy approval report	May 2011
CMT Review Gateway 1: Procurement strategy approval report	May 2011
Notification of forthcoming decision - Five clear working days (if Strategic Procurement)	16/06/2011
Approval of Gateway 1: Procurement strategy report (this report)	21/06/2011
Scrutiny Call-in period and notification of implementation of Gateway 1 decision date to be added subject to CCRB <i>Note: You should allow a minimum of 8 clear working days. This is subject to the decision not being called-in. If the decision is called-in the timetable will need to be adjusted accordingly.</i>	30/06/2011
Completion of tender documentation	30/06/2011
Advertise the contract	07/07/2011
Closing date for expressions of interest	05/08/2011
Completion of short-listing of applicants	30/09/2011
Invitation to tender	07/10/2011
Closing date for return of tenders	11/11/2011
Completion of evaluation of tenders	02/12/2011
Completion of any interviews	09/12/2011
DCRB/CCRB/CMT Review Gateway 2: Contract award report <i>Note: CMT review for full cabinet decisions only.</i>	10/12/2011
Notification of forthcoming decision (five clear working days)	12/01/2012
Approval of Gateway 2: Contract Award Report	18/01/2012
Scrutiny Call-in period and notification of implementation of Gateway 2 decision <i>Note: You should allow a minimum of 8 clear working days. This is subject to the decision not being called-in. If the decision is called-in the timetable will need to be adjusted accordingly.</i>	27/01/2012
Alcatel Standstill Period notice period 10days to be added	10/02/2012
Contract award	15/02/2012
Contract start	01/07/2012
Contract completion date	31/06/2022

### **Description of procurement outcomes**

17. APCOA parking are our existing service provider and have been since 1996, initial discussions have highlighted their willingness to continue to provide services through an extension period and we have concluded discussions about cost savings following the conclusion of the current contract period on 30 June 2011.
18. The range of services currently delivered in the existing parking contracts includes:
  1. Parking Enforcement Contract
    - Deployment of on-foot civil enforcement officers
    - Deployment of mobile civil enforcement officers, including enforcement on the Council's estates
    - School crossing patrols
    - Fixed and mobile CCTV parking and traffic enforcement
  2. Vehicle removal and car pound contract
    - Removal and relocation of vehicles
    - Car pound operations
    - Estate parking enforcement
    - Mobile CCTV enforcement
  3. Business Support Contract
    - Parking back office software supply and maintenance
    - Dealing with correspondence
    - Managing PCN payments and appeals
    - Managing parking permits
    - Cashless parking services

### **KEY ISSUES FOR CONSIDERATION**

#### **Tender process**

19. For this one year contract it is proposed to complete single supplier negotiations with the incumbent provider. The procurement for the longer term replacement service is to be subject to another Gateway 1 report proposing a strategy for future parking services after the end of this extension. That procurement will be subject to an EU compliant process including a call for expressions of interest through the publication of a contract notice in the OJEU.

#### **Tender evaluation**

20. For the new contract period APCOA have agreed for the contract to be completely open book and therefore we will have full confidence that the Council are receiving value for money. The parking services and development manager will meet with APCOA regularly to review this aspect of the service.

#### **TUPE implications**

21. Not applicable

#### **Plans for transition from the old to the new contract**

22. Not applicable as the current service operates will continue through the proposed new contract.

### **Plans for monitoring and management of the contract**

23. The parking services and development manager will monitor and manage the contract, to ensure compliance with the specification, control costs and ensure satisfactory performance.
24. Officers currently meet with APCOA on a weekly basis to discuss parking enforcement issues with a three weekly overview meeting which covers all aspects of the contract. Officers are in day to day contact with APCOA and visit their premises in Southwark on at least a weekly basis and normally more often than that. Southwark Council have agreed Key Performance Indicators (KPI's) for all of the various aspects of the contract and these are monitored on a weekly and monthly basis.
25. The current relationship between Southwark Council and APCOA is good. For the Parking and traffic enforcement contract APCOA are achieving the levels of deployment required (which is a key KPI), their levels of street visits have been slightly below expectation but that is improving. The Car pound and removal contract is meeting its Key Performance Indicators and housing are pleased with the new agreed arrangements in regards to estate enforcement. The business support contract is achieving virtually all of their KPI's and have been consistently for a number of years. In the last 12 months APCOA have delivered along with their IT partners SPUR three new additional online services. Areas where there is under performance are being addressed regularly and improvements agreed.

### **Community impact statement**

26. This is an extremely sensitive service though the procurement of this contract will have very little or no additional impact on local people and communities it will continue the Council's current policies in regards to parking and traffic enforcement. It is the continuation of an existing service.

### **Sustainability considerations**

27. There are no identified sustainability issues in approval of this Gateway 1&2.

### **Economic considerations**

28. The parking service currently provides a surplus of approximately £3.25 million per annum to the Council which funds transport related expenditure in line with legislation.

### **Social considerations**

27. This is the continuation of an existing service.

### **Environmental considerations**

28. APCOA parking have reached a suitable environmental standard on their existing contracts with Southwark and have low emission vehicles as part of their enforcement fleet.

#### **Market considerations**

29. APCOA parking are one of a number of specialist parking contractors in the UK.
- The successful tenderer is a private organisation
  - The successful tenderer has more than 250 employees
  - The successful tenderer has a national area of activity.

#### **Staffing/procurement implications**

30. As a supply contract there are no additional staffing implications above and beyond the current working arrangements.

#### **Financial implications**

31. The Parking Services has been operating at a surplus for the past five years which is invested back to fund transport related expenditure in line with legislation.
32. The 2011/14 budget agreed by the Council in February 2011 included savings of £540k to be achieved from the parking contract over 3 years. (£160k 2011/12, £250k 2012/13 and £130k year 2013/14). The proposed contract sums for the year are within the agreed budget and the procurement strategy is expected to generate the required long term savings.

#### **Legal implications**

33. Southwark Council is required to carry out parking and traffic enforcement, following the adoption of decriminalised powers initially under the Road Traffic Act 1991 from April 1994.

#### **Consultations**

34. No consultation has been carried out.

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

#### **Strategic Director of Communities, Law & Governance (SB0511)**

35. The Strategic Director of Communities, Law & Governance ("SDCLG", acting through the Contracts Section) has advised officers in connection with the legal implications arising from the procurement of both new, long-term parking enforcement and support contracts and interim contracts, and notes the content of this report. The recommendations set out within paragraphs 5 to 8 are consistent with the Council's statutory duties and powers relating to parking and traffic enforcement. The report sets out the reasons why it has become necessary to procure further provision of the existing parking and associated services by way of negotiation with APCOA.

36. In view of their estimated aggregate value (taking into account the extension option) the procurement of the proposed contracts is a strategic procurement for the purposes of the Council's Contract Standing Orders, which means that the decisions to approve the procurement strategy and contract award are ones which must be taken by the Cabinet, after taking advice from the Corporate Contract Review Board.
37. The steps which are to be taken to procure a new longer-term contract (including the anticipated programme for the same) are outlined in the indicative timetable set out below paragraph 23. The SDCLG will advise and assist officers in connection with legal issues associated with the procurement process, including the preparation and execution of tendering and formal contract documentation.
38. Contract Standing Orders provide that no contract may be awarded unless adequate expenditure has been identified and set aside for that purpose. As a key decision, the decision to approve the award of the contract will be subject to call-in in line with the requirements of the Council Constitution and the report confirms that the Forward Plan has been noted.

#### **Finance Director (CD0511)**

39. This report asks Cabinet to approve the award of three parking and traffic enforcement contracts for a period of one year from 1 July 2011, and to approve the procurement strategy for 10 year parking and traffic enforcement contracts planned to commence on 1 July 2012.
40. Changes to accounting rules under International Financial Reporting Standards (IFRS) from 2010/11 require that contracts need to be evaluated to determine if there are embedded finance leases with those contracts. I.e. does a contract involve a contractor providing specific assets for the council which will be substantially used up over the life of that contract. If this arises then those components of the contract will need to be reflected in the council's balance sheet, and the payments to the contractor split between paying for those assets and the others service provided.
43. The new one year contracts proposed in this report do not appear to contain finance lease issues, mainly for reasons of the short periods of the contracts. The new formal contracts following the short term contracts will have to be considered in more detail before they are let, for finance lease issues.

#### **Head of Procurement (MG0511)**

44. This combined Gateway 1 and 2 report seeks approval to award three parking and traffic enforcement contracts as a single arrangement for a period of one year (with a six month extension option).
45. The report describes the investigation into joint working with other authorities that was sought by Cabinet and that officers have now completed. This has resulted in a joint procurement strategy for future long-term contracts to be undertaken with Lewisham Council. The report details how this has led to a delay in procuring the longer-term arrangements and why an interim solution is now required. An indicative timescale for the longer-term contracts to commence at the conclusion of this interim arrangement is included in this report.

46. A number of value for money and service enhancements have been agreed as part of the extension negotiations. These include reduced costs for enforcement on housing estates and the closure of the parking shop. Overall contract costs will therefore reduce as a consequence of the proposed arrangement. More detailed value for money considerations will be integral to the strategic development of the longer term contract.
47. The Council's relationship with the incumbent provider is described as being good and although there have been some areas of under-performance this is generally rare is improving.
48. Contract management and monitoring arrangements are detailed in the report. These include operational and strategic meetings as well as an agreed schedule of KPIs.
49. This report has been reviewed by both the Environment Contracts Review Board and the Corporate Contracts Review Board and their recommended changes are incorporated into this draft of the report.

## BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1 – Initial procurement strategy Parking and Traffic enforcement services	160 Tooley Street, London SE1 2QH	Nicky Costin 020 7525 2156
Parking and traffic enforcement contracts	160 Tooley Street	Nicky Costin 020 7525 2156
Parking and Enforcement Plan	160 Tooley Street	Nicky Costin 020 7525 2156
Contract Register update	160 Tooley Street	Nicky Costin 020 7525 2156

## APPENDICES

Number	Title
Appendix 1	Correspondence from APCOA

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Barrie Hargrove, Cabinet Member for Transport, Environment & Recycling	
<b>Lead Officer</b>	Gill Davies, Strategic Director of Environment	
<b>Report Author</b>	Des Waters, Head of Public Realm	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Head of Procurement	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		9 June 2011



**Correspondence from APCOA**

Mr. D. Sole  
Parking Services and Development Manager  
Southwark Council  
160 Tooley Street  
London SE1 2TZ

24<sup>th</sup> March 2011

Dear David,

**Re: APCOA and Southwark Council Contract extension.**

I write in response to your email correspondence of the 22<sup>nd</sup> March requesting clarification on APCOA's intentions to continue to provide parking and traffic enforcement services outlined in our existing contracts on the same cost basis as outlined within these documents, plus any agreed variations and changes.

It is understood that this extension period will commence at the end of the current contract term (July 2011) and continue to the 30<sup>th</sup> June 2012.

The three core contracts are;

Contract 1 - Parking enforcement services including CCTV / School Crossing Patrols / Walking and mobile CEO patrols

This contract will continue in its current form, taking into consideration all changes and amendments agreed by both parties since its commencement. It should be noted that this contract will be subject to an RPI increase in July 2011 in line with the existing contract mechanism.

Contract 2 - Business support services including IT / Back office processing / Telephone service and web payments

This contract will continue in its current form, taking into consideration the considerable changes and amendments agreed by both parties since its commencement. It should be noted that this contract will be subject to an RPI increase in July 2011. in line with the existing contract mechanism..

It should be noted that the Parking Shop closed on the 7<sup>th</sup> January 2011 and all services previously provided at this location are now provided by either APCOA Customer Service Centre (Uxbridge) or through IT based solutions. For completeness of records, I have forwarded an email detailing the revised payment schedule for this service.



Contract 3 - Clamp and removal services (Clamp services replaced by CCTV vehicles) Removal vehicles and car pound management/provision at Mandela Way.

This contract will continue in its current form, taking into consideration the changes and amendments agreed by both parties since its commencement. It should be noted that this contract will be subject to an RPI increase in July 2011 in line with the existing contract mechanism.

The Estate Parking Contract has been amended from its initial terms and commenced in its current form on March 7<sup>th</sup> 2011. I have again attached correspondence relating to this change for completeness of your records.

APCOA welcome the opportunity to discuss further opportunities for innovation and efficiency over the remainder of the Contract period.

Please advise if you require anything further.

Yours sincerely

A handwritten signature in black ink, appearing to read 'T. Munford', written in a cursive style.

Tracey Munford  
Regional Manager (London & South)

Cc: Nicky Costin

<b>Item No.</b> 21.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 Procurement Strategy Approval Supply of gas to sites consuming less than 25,000 therms	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Barrie Hargrove, Transport, Environment & Recycling	

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

The Council needs to consider the strategy for purchasing the supply of energy to a number of sites across the borough. This report presents an approach for sites consuming less than 25,000 therms.

The energy market is extremely volatile. Wholesale energy prices are influenced by a range of factors including supply security, weather trends, exchange rates, and geopolitical issues. Wholesale prices may increase by up to 50% by 2015. Quite how much and at what point is unknown and they will fluctuate. Prices can vary significantly on a daily basis with dramatic rises and falls over a 12-month period. Moves of plus or minus 20% in a single month are possible. The largest impact on the end gas price is the amount being bought, decision when to buy, and how much future gas demand to buy at that time (i.e. to cover the total demand for one or two years, or just a portion).

This report recommends the use of a Central Purchasing Body (CPB). As part of a consortium of authorities using this approach Southwark Council will not need to go through the tendering process and will be able to access cheaper gas prices through the wholesale market.

This is a route endorsed by the London Energy Project and the Office of Government Commerce. The Council will no longer have to closely follow the markets, or take difficult decisions over when to buy, thus saving time and money. The decision to be made ultimately is the type of contract we want to secure from the consortium and the purchasing option adopted within that contract.

### **RECOMMENDATIONS**

1. That the Cabinet approves the procurement strategy outlined in this report for the supply of gas to all sites consuming less than 25,000 therms at an estimated value outlined in the closed version of this report.
2. That the Cabinet approves the use of a Consortium to award the supply of gas to all sites consuming less than 25,000 therms for a four year period from October 2012.

3. That the Cabinet approves the evaluation of the two buying consortia for the award of the contract proposed in this report, namely LASER and Buying Solutions.

### **BACKGROUND INFORMATION**

4. The Council has seven contracts for electricity and gas supplies to municipal sites, schools and housing estates. Four of these cover electricity supplies to over 3500 sites. Three are for supplies of gas to over 200 sites.
5. The contracts are set up in such a way to provide best value for the Council through the length, duration and the specification. Contracts have sites, schools and housing assigned to them dependant on their energy usage and spend. A result of this is that 5 of the contracts run concurrently with LASER (a non-profit making organisation managed by Kent County Council's Commercial Services Department) and expire in September 2012 (see background document – energy contracts schedule).
6. This report relates to the contract that covers the supply of gas to sites consuming less than 25,000 therms (equivalent to 732,500 kWh). These are small to medium sized sites including smaller centrally heated housing estates, schools and municipal offices. There are 135 supplies of gas to 132 sites in the Council estate. A list of sites currently utilising this contract is attached in the appendix.
7. The current flexible contract removes the wholesale cost of energy from the competitive tender process. An EU compliant tender process was used by LASER on behalf of a consortium of authorities including Southwark in 2009.
8. The existing flexible framework agreement with LASER and British Gas started in October 2009 and runs until 30<sup>th</sup> September 2012. The contract is a managed solution where British Gas sends invoices electronically to LASER who in turn invoice whoever is responsible for paying the bill. This process allows LASER to provide additional services such as basic invoice checking, and to recover their service charge.
9. The Energy Team (within the Environment department) have established an energy management database and also receive electronic copies of all energy invoices sent via LASER.
10. British Gas currently calculates a reference price based on market conditions and advance purchases are made on behalf on the consortium. As the actual price will depend on subsequent purchases of gas (under different market conditions) a 'reconciliation' will be made on a six monthly basis. Known as Purchase Within Period (PWP) or Flexible Variable buying occurs both prior to, and during the contract period. This extends the buying window and enables energy to be bought closer to the supply date, taking advantage of any price falls.
11. A risk premium is built in to the reference price and will be set and charged p/kWh. Over the four year period proposed contract period we would receive eight prices each at 6 monthly intervals. The alternative option for purchasing is 'Purchase in Advance'.

12. Purchase in Advance (PIA) or Flexible Locked is where flexible buying occurs prior to the contract supply date. An 'average' price is calculated and locked contract price is provided, thus offering the same budget certainty as fixed-term, fixed-price deals for each supply year. Over the four year contract period we will receive four prices.
13. The Efficiency and Reform group within the Cabinet Office has developed metrics to help assess the performance of wholesale energy purchasing. Graphs in the closed version of the report demonstrate the wholesale purchasing for the period April 2009 to February 2011 against a benchmark of market averages prices achieved over the same period.
14. The estimated annual cost and four year costs (based on the existing contract) is outlined in the closed version of the report.
15. Some sites supplied with gas via this contract will be affected by the changes made as part of the disposals and rationalisation programme to the Council estate. Details are included in the closed version of the report. Predicted consumption rates for these will be accounted for in the future contract negotiations, in addition to any new sites that may come on board. These changes will be included in the calculations for the estimated contract value and will be updated into the total values prior to the Gateway 2 Report.
16. The existing 'flexible' contract does not have an extension provision owing to its approach via a consortium aggregating the demand of several local authorities.
17. The Council needs to consider procurement timelines for all framework agreements that will be expiring in October 2012, if purchasing from a consortium and using a managed solution. Southwark should provide representation to the consortia of our intended procurement approach by the 30th June 2011. The Council will enter a contract from September 2011 (for the supply period October 2012 to 2016) with the chosen consortia if using a flexible managed solution, so they know the likely amount of gas they will be procuring on our behalf, and to ensure the best price is realised.
18. If using an unmanaged solution the 'site' (whoever is responsible for paying the bills) would enter in to an agreement with the supplier. A termination period will be built in to the contract - the standard for most suppliers is 28 days.
19. There is a further urgent need for the Council to identify and gather accurate data for these accounts with the introduction of the Carbon Reduction Commitment (CRC) from 2011/12. The CRC requires the Council to report the carbon emissions resulting from electricity and gas consumption in all Council operational sites, including all schools and academies. In July of 2011, the Council must compile a "Footprint Report" for the financial year 2010/11 which identifies all electricity and gas supplies (to operational sites, schools and academies), and report the annual consumption for each one. Between April and July 2012, the Council will be required to purchase allowances at £12 tonne equivalent to the carbon emissions produced over the financial year 2011/2012. It is a legal requirement to collect this data and there are significant fines for not presenting the data for sites under the authority's control (£44 tonne). The Energy Team is currently using the gas contract data sent to them from LASER for the sites that are part of the council estate and qualify for inclusion in the CRC (i.e. not housing).

20. This report is for a June 2011 decision.

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

21. This contract is a re-tender of an existing requirement for gas supplies to sites consuming less than 25,000 therms.
22. This report is proposing a buying method to ensure best value for purchasing gas for sites consuming less than 25,000 therms. Individual contracts will exist between the supplier and whoever is responsible for paying the bills under the framework agreement.
23. Currently there are 132 different sites supplied with gas through the contract (see appendix 1).
24. The average contract rate for April 2011 to September 2011 is outlined in the closed version of this report.

### **Market considerations**

25. The energy market is very competitive and means that consumers in Britain can select from a range of companies to provide their energy supply. The energy suppliers all use the same gas pipes and electricity wires to deliver the same physical products (gas and electricity), so instead they compete on price, service and innovation.
26. The unit (kilowatt hour – kWh) cost of gas to the customer is made up of a number of cost elements:-
  - Wholesale cost of the commodity itself – gas or electricity
  - Pass through charges for transporting the energy – i.e. national gas network. These charges are fixed by the energy regulator (Ofgem)
  - Meter operating, billing and administration charges
  - Government taxes – “Climate Change Levy” and VAT
  - Supplier profit
27. The wholesale price of gas comprises more than 80% of the total cost of paid by customers. The remaining 20% is made up of the other charges listed above.
28. As the wholesale market price of gas is the dominant factor in the end price to customers, competition between suppliers usually only realises around 1 – 2 % difference in prices when tendered.
29. The largest impact on the end gas price is the amount being bought, decision when to buy, and how much future gas demand to buy at that time (i.e. to cover the total demand for one or two years, or just a portion).
30. The energy market is extremely volatile. Wholesale energy prices are influenced by a range of factors including supply security, weather trends, exchange rates, and geopolitical issues,. Prices can vary significantly on a daily basis with dramatic rises and falls over a 12-month period. Moves of plus or minus 20% in a single month are possible.

31. Gas prices will increase over the proposed 4 year contract period. Suppliers will be accounting for infrastructure needs to supply energy, profit, administration costs, regulated fees and taxation. The London Energy Project have also reported that wholesale prices may increase by up to 50% by 2015. Quite how much and at what point is unknown and they will fluctuate.

#### **Proposed procurement route**

32. The Office of Government Commerce (OGC) has estimated that the cost of going through the OJEU process is £30,000. By using a Central Purchasing Body (CPB) as recommended by the London Energy Project and OGC, local authorities will not need to go through the tendering process, will no longer have to closely follow the markets, or take difficult decisions over when to buy, thus saving time and money. The decision to be made ultimately is the type of contract we want to secure from the consortium and the purchasing option adopted within that contract.
33. The framework procurement process used by the consortia is compliant with Public Contracts Regulations and OJEU.
34. The estimated value of this procurement meets the criteria of EU general protocol, and all reasonable steps should be taken to obtain at least five tenders following a publicly advertised competitive tendering process through OJEU.
35. CSO 3.2 advises that this requirement will not apply where the Council intends to purchase under a consortium contract so long as approval for the use of that consortium contract has been given via a gateway one report.
36. This method of purchasing allows the Council to access wholesale rather than the retail market price. This method of buying has been approved and adopted by the Council to avoid the risk of effectively settling all of the council's gas costs on a single day through a fixed price, which retrospectively may be a high point in the market. It is also the recognised best practice approach to energy procurement as recommended by the the Office of Government Commerce (OGC) and London Energy Project managed by Capital Ambition, the Regional Improvement and Efficiency Partnership).
37. The CPB will secure a supplier for gas under the framework agreement and decision to be made by Southwark ultimately will be the type of contract we want to secure from the consortium, and the purchasing option adopted within that contract.
38. Managing a flexible energy contract is a specialised function, and both the OGC and London Energy Project advise this should only be performed by market specialists with the relevant knowledge, experience and information to undertake this task. Like any other market it requires a 'trading' function, deploys tested and continuously improved buying and risk management strategies and has appropriate governance arrangements in place.
39. There are minimum size requirements for buying wholesale energy flexibly, i.e. aggregated to the size of at least 10 typical London boroughs.

40. The London Energy Project, in collaboration with the pan government energy project has evaluated the aggregated, flexible, risked managed contracts provided by the CPBs against a set of best practice criteria. Of those, LASER and Buying Solutions have solutions available to Southwark.
41. LASER is a local government purchasing consortium operating in the South East and London region. It is part of Kent County Council and has responsibility for the energy procurement for the Central Buying Consortium customers as well as for its own customers from London and the South East of England. It represents in excess of 100 authorities.
42. Buying Solutions is the national procurement partner for all UK public services and is part of the Efficiency and Reform Group within the Cabinet Office. They have been purchasing aggregated energy volumes via the wholesale markets for more than 10 years.
43. The report recommends purchase under a consortium contract in line with best practice.
44. The Gateway 2 report will present best value options available through the two consortiums. There are a number of factors or criteria that need to be considered and scrutinised when selecting the CPB framework which best meets Southwark's requirements and presents value for money. Selection of the consortia will be made using criteria in the following order;
  1. the tender process used by the consortia and evaluation criteria used for selecting the gas supplier;
  2. how the managed or unmanaged solution will work and benefits for the authority;
  3. Service Level Agreement with the consortium, terms and conditions of the framework;
  4. communication with Southwark, provision of information and how that will be managed;
  5. delegated authority, and decision to purchase on behalf of Southwark. Compatibility with Southwark's requirements.
  6. the transparency of costs;
  7. provision of information and how it will help the Council manage energy consumption throughout the estate. This includes the provision of data for the CRC.
  8. additional services that can be provided ;
45. The Energy Team will lead and undertake the evaluation, in collaboration with colleagues from Procurement, Corporate Finance and Legal Services. Records will be kept against the key criteria listed in paragraph 46.
46. Where appropriate, the CPBs will be asked to represent themselves and provide supporting materials to the Energy Team and assessed against professional advice and guidance provided by the OGC and The London Energy Project.
47. Further to this there is a need to the evaluate the compatibility of the risk management strategies with the Southwark's financial objectives, an understanding the buying solutions that are used for purchasing energy on the authority's behalf and whether to take a Purchase in Advance or Purchase Within Period contract as detailed in paragraphs 8 to 10.



48. It is proposed that detailed analysis on the risk management strategies and buying solutions proposed by the CPBs will be presented to a representative group from the council prior to the Gateway 2 report.
49. The proposed best purchasing solution for the authority for the 'gas under 25,000 therms' contract will be presented at Gateway 2. This decision is ultimately whether to take a Purchase in Advance or Purchase Within Period contract as detailed in paragraphs 10 to 12. Council officers will recommend a solution that presents the least risk to the authority utilising expertise from the consortia, the London Energy Project and independent energy experts where required. The following criteria will be used to help define the selection
- Previous PIA and PWP performance demonstrated by the consortia and by further analysing the performance to date in the existing contract where appropriate.
  - Market conditions and gas supply to the UK
  - Market forecast and risk to the authority

#### **Options for procurement including procurement approach**

50. Prior to the current contract the council let 'fixed price fixed term' (FPFT) contracts for energy supplies. Typically, these would last for one or two years. This included the supply of gas.
51. For such contracts, suppliers offer a fixed unit price over the contract period. As market prices are highly volatile, contract prices had to be settled on a single day (the tender process would be executed electronically). While the day selected for the tender could be selected according to market conditions, the decision still carried a significant risk of fixing a price for the whole contract volume on one day.
52. In addition, additional procurement costs and officer time needs to be factored in for this approach.
53. As energy markets are so complex it would mean the authority engaging the expertise of a purchasing agent to use market intelligence, to advise on the best time to go to market. For such contracts, suppliers offer a fixed unit price over the contract period typically 1 to 2% cheaper than market prices.
54. FPFT contracts are not an option offered by either of the consortiums evaluated against the pan government criteria.
55. The alternative option is 'do-nothing'. This would effectively leave facility managers at each site to negotiate and secure their own gas suppliers, or remain at an 'off-contract' market rate. This option would present a financial risk to the authority, and the cost of gas supplies would significantly increase if this purchasing route was to be taken.

### Identified risks and how they will be managed

56. The greatest risk in buying gas is in deciding when, and how much volume to purchase. This report sets out how the recommended procurement approach will mitigate this risk by purchasing gas within a framework contract that spreads buying decisions across the contract period. The recommended approach is also one of the energy procurement solutions being recommended as being best practice by central and regional government.
57. Identifying the procurement approach, and presenting the findings and the best solution in the Gateway 2 report will ensure that the Council does not risk making 'rushed' decisions without consideration of alternative options.
58. The authority needs to consider the risk in prices fluctuating during the contract periods, and that it feels there is a control over the decisions being made on behalf on the authority by the consortia. The selection criteria, including delegated authority for purchasing, in addition to the market analysis (all detailed in the proposed procurement route) will ensure the authority is able to select a solution that allows those risks to be managed.

### KEY ISSUES FOR CONSIDERATION

#### Key /Non Key decisions

59. This report is a key decision

#### Policy implications

60. There are no policy implications.

#### Procurement project plan

Activity	Date completed
Forward Plan (if Strategic Procurement)	01/06/2011
DCRB/CCRB/CMT Review Gateway 1: Procurement Strategy Approval	DCRB 01/06/2011 CCRB 02/06/2011
<b>Gateway 1:</b> Procurement strategy for approval report (this report)	21/06/2011
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	30/06/2011
Completion of tender documentation	These tasks completed by consortia
Advertise the contract	
Closing date for expressions of interest	
Invitation to tenders	
Closing date for return of tenders	
Completion of evaluation of tenders	
Completion of any post-tender clarification meetings	

Activity	Date completed
Council evaluation of consortia	26/08/2011
Council evaluation of purchasing solution	26/08/2011
Review Gateway 2: Consortia and Contract award report	DCRB 01/09/2011 CCRB 09/09/2011
Notification of forthcoming decision	12/09/2011
<b>Gateway 2:</b> Consortia and contract award approval. Recommendations for purchasing option	23/09/2011
Place award notice in Official Journal of European Union (OJEU)	Completed by consortia
Standstill period observed between award notice and contract award	
Start date of Southwark buy-in to the contract	01/10/2012
Contract completion	31/09/2016

### TUPE implications

61. There are no TUPE implications.

### Development of the tender documentation

62. Tender documentation for the selection of the supplier is developed and administered by the buying consortia. Evaluation criteria are based on the principle that the wholesale price of electricity is excluded from the tender.
63. It is important to stress that this flexible framework contract is not awarded on the basis of lowest gas price. The gas price will be determined by the wholesale market and the buying decisions made in response to this volatile market.

### Community impact statement

64. This contract covers gas supplies to central boiler systems which provide heating to smaller housing estates. The estimated increase in gas prices will therefore affect tenants' service charges. However, all sections of the community are equally affected by rising energy prices, whether they have their own domestic boilers (and pay their own gas bills) or are connected to communal systems. The aim of the recommended contract is to adopt a flexible purchasing option whereby falls in the market price for gas can be secured to minimise the overall price to the consumer. This strategy is not an option that is open to individual consumers with their own heating systems

### Sustainability considerations

65. This contract is concerned with securing natural gas supplies to heating systems. As such, there are no sustainable alternatives for this form of supply.
66. The South East London Combined Heat and Power (SELCHP) facility may present a long term solution for heat supply for sites who are within the locality and part of the district heating network. As these sites are identified and confirmed, the consortium will be advised that sites will be withdrawn from the contract. A detailed study is being undertaken to precisely identify which boiler houses should be connected to optimise the outcomes from this project.

**Economic considerations**

67. Due to the nature of the energy supply market requirements for suppliers to support local employment would be inappropriate.

**Social considerations**

68. There are no specific social considerations

**Environmental considerations**

69. The consortia will be asked to present the authority with data and any further solutions to manage energy consumption through the council estate. These will be presented in the Gateway 2 report.

**Plans for the monitoring and management of the contract**

70. Client departments are responsible for payment and monitoring of their own invoices. The Energy Team within Environment will act as a single point of contact with the supplier to resolve any outstanding queries

**Resource implications**

71. There are no specific resource considerations

**Staffing/procurement implications**

72. Client departments are responsible for payment and monitoring of their own invoices. The Energy Team within Environment will act as a single point of contact with the supplier to resolve any outstanding queries

**Financial implications**

73. The estimated contract costs have been based on current wholesale costs and the existing sites utilising the framework agreement.
74. Some sites supplied with gas via this contract will be affected by the changes made as part of the disposals and rationalisation programme to the Council estate (included in the closed version of this report). Predicted consumption rates for these will be accounted for in the future contract negotiations, in addition to any new sites that may come on board. These changes will be included in the calculations for the estimated contract value and will be updated into the total values prior to the Gateway 2 Report.
75. It must be emphasised that this report is recommending a buying method, not a set of fixed gas prices resulting from a competitive tender. All predicted costs are therefore based on current market conditions. The actual billed costs will depend on purchasing option taken and prices of gas secured from the wholesale market.

## **Consultation**

76. Officers in Corporate Programmes and Regeneration managing the disposal of council offices and the Modernise Programme were consulted on the timescales and status of disposals and the likely level of occupation of remaining sites. For those schools and leisure centres included in the contract notification will be sent to those responsible for paying the bills of the intention to renew the contract and the period covered.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance (KM0511)**

77. This report seeks the approval of the Cabinet to the procurement strategy for the supply of gas (those sites consuming under 25,000 therms) by evaluation of 2 buying consortia - LASER and Buying Solutions. The nature and value of this contract, at an estimated value of £28,450,000 means that this procurement is classed as 'Strategic' under Contract Standing Orders, and therefore the approval of the procurement strategy is reserved to Cabinet.
78. At this value, the contract is also subject to the full application of the EU tendering regulations. However as noted in paragraph 37, both consortia have been subject to an EU compliant process, and either may therefore be used without having to undertake an OJEU advertised tendering process. Following approval of this procurement strategy, an evaluation will be undertaken of the 2 consortia options using the criteria noted in paragraph 48. The outcome of that evaluation will result in a gateway 2 report to seek approval for use of one of the consortia, and to enter into a contract with their supplier.'

### **Finance Director (JB0511)**

79. This report recommends the use of a consortium contract for the procurement of the supply of gas to all sites consuming less than 25,000 therms per annum. The report notes that the energy market is extremely volatile, and that prices can vary significantly on a daily basis. Details are given in the Financial Implications section. The report notes that the GW2 report will be on the basis of either "Purchase within Period" or "Purchase in Advance", taking into account the advantages and risks of each approach.

### **Strategic Director of Housing Services (LT0511)**

80. Statutory consultation will have to be carried out with leaseholders under section 20 of the Landlord and Tenant Act 1985 (as amended), should this contract result in a service charge of more than £100 to any leaseholder in any financial year for the course of the contract. The consultation is a two stage process, with a notice of intention being served pre-tender and a notice of proposal served post tender. Each stage also has a thirty day observation period for leaseholders to make comments, and the next stage of procurement cannot proceed until these periods have been closed.

81. It is likely that the Council will not be able to comply with all the requirements of section 20, and will therefore have to make an application to the Leasehold Valuation Tribunal for dispensation of some part of the regulations. Although a fast track application will be made, asking for a paper hearing only, this process could take several weeks.
82. If the Council does not comply with section 20, or get dispensation for those aspects which cannot be complied with, then service charges to affected leaseholders will be limited to £100 per annum for the lifetime of the contract, which could lead to a significant loss to the Housing Revenue Account, depending on the actual cost of this contract. It is therefore vital that before any procurement strategy is agreed the potential annual cost to leaseholders is identified and any necessary statutory consultation is carried out.

### **Head of Procurement (MG0511)**

83. This report seeks Cabinet approval of the procurement strategy for the supply of gas to all sites consuming over 25,000 therms. The report identifies two central purchasing bodies that currently buy gas on behalf of local authorities i.e. Buying Solutions and LASER. It is proposed that an assessment of the two procurement vehicles is undertaken to determine which one will secure the best deal for the council.
84. The report details the background to the Council's service requirements and to the energy market in particular. When using these procurement vehicles, individual contracts will be agreed between the supplier and the individual clients.
85. The report explains why it is considered that the engagement of a buying consortium will provide the best procurement option for this service and that this approach to gain access to the wholesale rather than retail market is the nationally recognised best practice approach to energy procurement.
86. The report confirms the process and the evaluation criteria that will be used to select the preferred buying consortium to be engaged to procure this contract. The key selection criteria are set out and these will form the basis for the recommended option at Gateway 2 stage.
87. The proposed procurement process to be followed by the selected consortia will be compliant with the Public Contracts Regulations and OJEU requirements. The total estimated contract value is for a four year contract commencing in October 2012 with no extension provision is contained in the closed version of this report. The current estimated costs are based on the current energy market predictions whilst the actual costs will depend on the price to be secured from the wholesale market.
88. Client departments will be responsible for monitoring their own service and invoices whilst the Energy Team will liaise with the supplier.
89. This matter has been reviewed by both the Environment Department Contract Review Board and the Corporate Contract Review Board and recommended changes have been incorporated into this final report.

**BACKGROUND DOCUMENTS**

<b>Background Documents</b>	<b>Held At</b>	<b>Contact</b>
Energy Contracts Schedule	Sustainable Services Southwark Council 160 Tooley Street London SE1 2QH	Andrew Chandler Sustainable Services Manager

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Barrie Hargrove, Transport, Environment & Recycling	
<b>Lead Officer</b>	Gill Davies, Strategic Director of Environment	
<b>Report Author</b>	Ian Smith, Head of Sustainable Services	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Head of Procurement	Yes	Yes
Strategic Director of Housing Services	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contracts Review Board	Yes	Yes
Corporate Contracts Review Board	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		9 June 2011

<b>Item No.</b> 22.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 Procurement Strategy Approval Supply of gas to sites consuming more than 25,000 therms	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Barrie Hargrove Transport, Environment & Recycling	

### **FOREWORD - COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING**

The Council needs to consider the strategy for purchasing the supply of energy to a number of sites across the borough. This report presents an approach for sites consuming more than 25,000 therms.

The energy market is extremely volatile. Wholesale energy prices are influenced by a range of factors including supply security, weather trends, exchange rates, and geopolitical issues. Wholesale prices may increase by up to 50% by 2015. Quite how much and at what point is unknown and they will fluctuate. Prices can vary significantly on a daily basis with dramatic rises and falls over a 12-month period. Moves of plus or minus 20% in a single month are possible. The largest impact on the end gas price is the amount being bought, decision when to buy, and how much future gas demand to buy at that time (i.e. to cover the total demand for one or two years, or just a portion).

This report recommends the use of a Central Purchasing Body (CPB). As part of a consortium of authorities using this approach Southwark Council will not need to go through the tendering process and will be able to access cheaper gas prices through the wholesale market.

This is a route endorsed by the London Energy Project and the Office of Government Commerce. The Council will no longer have to closely follow the markets, or take difficult decisions over when to buy, thus saving time and money. The decision to be made ultimately is the type of contract we want to secure from the consortium and the purchasing option adopted within that contract.

### **RECOMMENDATIONS**

1. That the Cabinet approves the procurement strategy outlined in this report for the supply of gas to all sites consuming over 25,000 therms at an estimated value outlined in the closed version of this report.
2. That the Cabinet approves the use of a Consortium contract to award the supply of gas to all sites consuming over 25,000 therms for a four year period from October 2012.



3. That the Cabinet approves the evaluation of the two buying consortia for the award of the contract proposed in this report, namely LASER and Buying Solutions.

### **BACKGROUND INFORMATION**

4. The Council has seven contracts for electricity and gas supplies to municipal sites, schools and housing estates. Four of these cover electricity supplies to over 3500 sites. Three are for supplies of gas to over 200 sites.
5. The contracts are set up in such a way to provide best value for the Council through the length, duration and the specification. Contracts have sites, schools and housing assigned to them dependant on their energy usage and spend. A result of this is that 5 of the contracts run concurrently with LASER (a non-profit making organisation managed by Kent County Council's Commercial Services Department) and expire in September 2012 (see background document – energy contracts schedule).
6. This report relates to the contract that covers the supply of gas to sites consuming over 25,000 therms (equivalent to 732,500 kWh). These are larger gas consuming sites including communally heated housing estates, larger schools and key municipal offices. There are currently 80 sites being supplied in the Council estate.
7. The current flexible contract removes the wholesale cost of energy from the competitive tender process. An EU compliant tender process was used by LASER on behalf of a consortium of authorities including Southwark in 2009.
8. The existing flexible framework agreement with LASER and British Gas started in October 2009 and runs until 30<sup>th</sup> September 2012. The contract is a managed solution where British Gas sends invoices electronically to LASER who in turn invoice whoever is responsible for paying the bill. This process allows LASER to provide additional services such as basic invoice checking, and to recover their service charge.
9. It is envisaged that the two sites supplied through the interruptible gas contract will be moved on to this contract after September 2012. The Energy Team are currently investigating the need to have an additional contract for these two sites.
10. Additional sites can be added to the framework once it is set up. For the purpose of this report the 2 sites on the interruptible contract have not been included in any of the calculations.
11. The Energy Team (within the Environment department) have established an energy management database and also receive electronic copies of all energy invoices sent via LASER.
12. British Gas currently calculates a reference price based on market conditions and advance purchases are made on behalf on the consortium. As the actual price will depend on subsequent purchases of gas (under different market conditions) a 'reconciliation' will be made on a six monthly basis. Known as Purchase Within Period (PWP) or Flexible Variable buying occurs both prior to, and during the contract period. This extends the buying window and enables energy to be bought closer to the supply date, taking advantage of any price falls.

13. A risk premium is built in to the reference price and will be set and charged p/kWh. Over the four year period proposed contract period we would receive eight prices each at 6 monthly intervals. The alternative option for purchasing is 'Purchase in Advance'.
14. Purchase in Advance (PIA) or Flexible Locked is where flexible buying occurs prior to the contract supply date. An 'average' price is calculated and locked contract price is provided, thus offering the same budget certainty as fixed-term, fixed-price deals for each supply year. Over the four year contract period we will receive four prices.
15. The Efficiency and Reform group within the Cabinet Office has developed metrics to help assess the performance of wholesale energy purchasing. Graphs in the closed version of this report demonstrate the wholesale purchasing for the period April 2009 to February 2011 against a benchmark of market averages prices achieved over the same period.
16. The estimated annual cost and four year costs (based on the existing contract) is outlined in the closed version of this report.
17. Some sites supplied with gas via this contract will be affected by the changes made as part of the disposals and rationalisation programme to the Council estate. Details are included in the closed version of the report. Predicted consumption rates for these will be accounted for in the future contract negotiations, in addition to any new sites that may come on board. These changes will be included in the calculations for the estimated contract value and will be updated into the total values prior to the Gateway 2 Report.
18. The existing 'flexible' contract does not have an extension provision owing to its approach via a consortium aggregating the demand of several local authorities.
19. The Council needs to consider procurement timelines for all framework agreements that will be expiring in October 2012, if purchasing from a consortium and using a managed solution. Southwark should provide representation to the consortia of our intended procurement approach by the 30th June 2011. The Council will enter a contract from September 2011 (for the supply period October 2012 to 2016 period) with the chosen consortia if using a flexible managed solution, so they know the likely amount of gas they will be procuring on our behalf, and to ensure the best price is realised.
20. If using an unmanaged solution the 'site' (whoever is responsible for paying the bills) would enter in to an agreement with the supplier. A termination period will be built in to the contract - the standard for most suppliers is 28 days.
21. There is a further urgent need for the Council to identify and gather accurate data for these accounts with the introduction of the Carbon Reduction Commitment (CRC) from 2011/12. The CRC requires the Council to report the carbon emissions resulting from electricity and gas consumption in all Council operational sites, including all schools and academies. In July of 2011, the Council must compile a "Footprint Report" for the financial year 2010/11 which identifies all electricity and gas supplies (to operational sites, schools and academies), and report the annual consumption for each one. Between April and July 2012, the Council will be required to purchase allowances at £12 tonne equivalent to the carbon emissions produced over the financial year 2011/2012.

It is a legal requirement to collect this data and there are significant fines for not presenting the data for sites under the authority's control (£44 tonne). The Energy Team is currently using the gas contract data sent to them from LASER for the sites that are part of the council estate and qualify for inclusion in the CRC (i.e. not housing).

22. This report is for a June 2011 decision.

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

23. This contract is a re-tender of an existing requirement for gas supplies to sites consuming over than 25,000 therms.
24. This report is proposing a buying method to ensure best value for purchasing gas for sites consuming over 25,000 therms. Individual contracts will exist between the supplier and whoever is responsible for paying the bills under the framework agreement.
25. Currently there are 80 different sites supplied with gas through the contract.
26. The average contract rate for April 2011 to September 2011 is outlined in the closed version of this report.

### **Market considerations**

27. The energy market is very competitive and means that consumers in Britain can select from a range of companies to provide their energy supply. The energy suppliers all use the same gas pipes and electricity wires to deliver the same physical products (gas and electricity), so instead they compete on price, service and innovation.
28. The unit (kilowatt hour – kWh) cost of gas to the customer is made up of a number of cost elements:-
- Wholesale cost of the commodity itself – gas or electricity
  - Pass through charges for transporting the energy – i.e. national gas network. These charges are fixed by the energy regulator (Ofgem)
  - Meter operating, billing and administration charges
  - Government taxes – “Climate Change Levy” and VAT
  - Supplier profit
29. The wholesale price of gas comprises more than 80% of the total cost of paid by customers. The remaining 20% is made up of the other charges listed above.
30. As the wholesale market price of gas is the dominant factor in the end price to customers, competition between suppliers usually only realises around 1–2 % difference in prices when tendered.
31. The largest impact on the end gas price is the amount being bought, decision when to buy, and how much future gas demand to buy at that time (i.e. to cover the total demand for one or two years, or just a portion).

32. The energy market is extremely volatile. Wholesale energy prices are influenced by a range of factors including supply security, weather trends, exchange rates and geopolitical issues. Prices can vary significantly on a daily basis with dramatic rises and falls over a 12-month period. Moves of plus or minus 20% in a single month are possible.
33. Gas prices will increase over the proposed 4 year contract period. Suppliers will be accounting for infrastructure needs to supply energy, profit, administration costs, regulated fees and taxation. The London Energy Project have also reported that wholesale prices may increase by up to 50% by 2015. Quite how much and at what point is unknown and they will fluctuate.

### **Proposed procurement route**

34. The Office of Government Commerce (OGC) has estimated that the cost of going through the OJEU process is £30,000. By using a Central Purchasing Body (CPB) as recommended by the London Energy Project (LEP) and OGC, local authorities will not need to go through the tendering process, will no longer have to closely follow the markets, or take difficult decisions over when to buy, thus saving time and money. The decision to be made ultimately is the type of contract we want to secure from the consortium and the purchasing option adopted within that contract.
35. The framework procurement process used by the consortia is compliant with Public Contracts Regulations and OJEU.
36. The estimated value of this procurement meets the criteria of EU general protocol, and all reasonable steps should be taken to obtain at least five tenders following a publicly advertised competitive tendering process through OJEU.
37. CSO 3.2 advises that this requirement will not apply where the Council intends to purchase under a consortium contract so long as approval for the use of that consortium contract has been given via a gateway one report.
38. This method of purchasing allows the Council to access wholesale rather than the retail market price. This method of buying has been approved and adopted by the Council to avoid the risk of effectively settling all of the council's gas costs on a single day through a fixed price, which retrospectively may be a high point in the market. It is also the recognised best practice approach to energy procurement as recommended by the the Office of Government Commerce (OGC) and London Energy Project managed by Capital Ambition, the Regional Improvement and Efficiency Partnership).
39. The CPB will secure a supplier for gas under the framework agreement and decision to be made by Southwark ultimately will be the type of contract we want to secure from the consortium, and the purchasing option adopted within that contract.
40. Managing a flexible energy contract is a specialised function, and both the OGC and London Energy Project advise this should only be performed by market specialists with the relevant knowledge, experience and information to undertake this task. Like any other market it requires a 'trading' function, deploys tested and continuously improved buying and risk management strategies and has appropriate governance arrangements in place.

41. There are minimum size requirements for buying wholesale energy flexibly, i.e. aggregated to the size of at least 10 typical London boroughs.
42. The London Energy Project, in collaboration with the pan government energy project has evaluated the aggregated, flexible, risked managed contracts provided by the CPBs against a set of best practice criteria. Of those, LASER and Buying Solutions have solutions available to Southwark.
43. LASER is a local government purchasing consortium operating in the South East and London region. It is part of Kent County Council and has responsibility for the energy procurement for the Central Buying Consortium customers as well as for its own customers from London and the South East of England. It represents in excess of 100 authorities.
44. Buying Solutions is the national procurement partner for all UK public services and is part of the Efficiency and Reform Group within the Cabinet Office. They have been purchasing aggregated energy volumes via the wholesale markets for more than 10 years.
45. The report recommends purchase under a consortium contract in line with best practice.
46. The Gateway 2 report will present best value options available through the two consortiums.. There are a number of factors or criteria that will need to be considered and scrutinised when selecting the CPB framework which best meets Southwark's requirements and presents value for money Selection of the consortia will be made using criteria in the following order;
  1. the tender process used by the consortium and evaluation criteria used for selecting the gas supplier;
  2. how the managed or unmanaged solution will work and benefits for the authority;
  3. Service Level Agreement with the consortium, terms and conditions of the framework;
  4. communication with Southwark, provision of information and how that will be managed;
  5. delegated authority, and decision to purchase on behalf of Southwark. Compatibility with Southwark's requirements.
  6. the transparency of costs;
  7. provision of information and how it will help the Council manage energy consumption throughout the estate. This includes the provision of data for the CRC.
  8. additional services that can be provided ;
47. The Energy Team will lead and undertake the evaluation, in collaboration with colleagues from Procurement, Corporate Finance and Legal Services. Records will be kept against the key criteria listed in paragraph 48.
48. Where appropriate, the CPBs will be asked to represent themselves and provide supporting materials to the Energy Team and assessed against professional advice and guidance provided by the OGC and The London Energy Project.

49. Further to this there is a need to evaluate the compatibility of the risk management strategies with the Southwark's financial objectives, an understanding the buying solutions that are used for purchasing energy on the authority's behalf and whether to take a Purchase in Advance or Purchase Within Period contract as detailed in paragraphs 8 to 10.
50. It is proposed that detailed analysis on the risk management strategies and buying solutions proposed by the CPBs will be presented to a representative group from the Council prior to the Gateway 2 report.
51. The proposed best purchasing solution for the authority for the 'gas over 25,000 therms' contract will be presented at Gateway 2. This decision is ultimately whether to take a Purchase in Advance or Purchase Within Period contract as detailed in paragraphs 10 to 12. Council officers will recommend a solution that presents the least risk to the authority utilising expertise from the consortia, the London Energy Project and independent energy experts where required. The following criteria will be used to help define the selection;
  - Previous PIA and PWP performance demonstrated by the consortia and by further analysing the performance to date in the existing contract where appropriate.
  - Market conditions and gas supply to the UK
  - Market forecast and risk to the authority

#### **Options for procurement including procurement approach**

52. Prior to the current contract the Council let 'fixed price fixed term' (FPFT) contracts for energy supplies. Typically, these would last for one or two years. This included the supply of gas.
53. For such contracts, suppliers offer a fixed unit price over the contract period. As market prices are highly volatile, contract prices had to be settled on a single day (the tender process would be executed electronically). While the day selected for the tender could be selected according to market conditions, the decision still carried a significant risk of fixing a price for the whole contract volume on one day.
54. In addition, additional procurement costs and officer time needs to be factored in for this approach.
55. As energy markets are so complex it would mean the authority engaging the expertise of a purchasing agent to use market intelligence, to advise on the best time to go to market. For such contracts, suppliers offer a fixed unit price over the contract period typically 1 to 2% cheaper than market prices.
56. FPFT contracts are not an option offered by either of the consortiums evaluated against the pan government criteria.
57. The alternative option is 'do-nothing'. This would effectively leave facility managers at each site to negotiate and secure their own gas suppliers, or remain at an 'off-contract' market rate. This option would present a financial risk to the authority, and the cost of gas supplies would significantly increase if this purchasing route was to be taken.

### Identified risks and how they will be managed

58. The greatest risk in buying gas is in deciding when, and how much volume to purchase. This report sets out how the recommended procurement approach will mitigate this risk by purchasing gas within a framework contract that spreads buying decisions across the contract period. The recommended approach is also one of the energy procurement solutions being recommended as being best practice by central and regional government.
59. Identifying the procurement approach, and presenting the findings and the best solution in the Gateway 2 report will ensure that the Council does not risk making 'rushed' decisions without consideration of alternative options.
60. The authority needs to consider the risk in prices fluctuating during the contract periods, and that it feels there is a control over the decisions being made on behalf on the authority by the consortia. The selection criteria, including delegated authority for purchasing, in addition to the market analysis (all detailed in the proposed procurement route) will ensure the authority is able to select a solution that allows those risks to be managed.

### KEY ISSUES FOR CONSIDERATION

#### Key /Non Key decisions

61. This report is a key decision

#### Policy implications

62. There are no policy implications.

#### Procurement project plan

Activity	Date completed
Forward Plan (if Strategic Procurement)	01/06/2011
DCRB/CCRB/CMT Review Gateway 1: Procurement Strategy Approval	DCRB 01/06/2011 CCRB 02/06/2011
<b>Gateway 1: Procurement strategy for approval report (this report)</b>	21/06/2011
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	30/06/2011
Completion of tender documentation	These tasks completed by consortia
Advertise the contract	
Closing date for expressions of interest	
Invitation to tenders	
Closing date for return of tenders	
Completion of evaluation of tenders	
Completion of any post-tender clarification meetings	

Activity	Date completed
Council evaluation of consortia	26/08/2011
Council evaluation of purchasing solution	26/08/2011
Review Gateway 2: Consortia and Contract award report	DCRB 01/09/2011 CCRB 09/09/2011
Notification of forthcoming decision	12/09/2011
<b>Gateway 2:</b> Consortia and contract award approval. Recommendations for purchasing option	23/09/2011
Place award notice in Official Journal of European Union (OJEU)	Completed by consortia
Standstill period observed between award notice and contract award	
Start date of Southwark buy-in to the contract	01/10/2012
Contract completion	31/09/2016

### TUPE implications

63. There are no TUPE implications.

### Development of the tender documentation

64. Tender documentation for the selection of the supplier is developed and administered by the buying consortia. Evaluation criteria are based on the principle that the wholesale price of electricity is excluded from the tender.
65. It is important to stress that this flexible framework contract is not awarded on the basis of lowest gas price. The gas price will be determined by the wholesale market and the buying decisions made in response to this volatile market.

### Community impact statement

66. This contract covers gas supplies to central boiler systems which provide heating to smaller housing estates. The estimated increase in gas prices will therefore affect tenants' service charges. However, all sections of the community are equally affected by rising energy prices, whether they have their own domestic boilers (and pay their own gas bills) or are connected to communal systems. The aim of the recommended contract is to adopt a flexible purchasing option whereby falls in the market price for gas can be secured to minimise the overall price to the consumer. This strategy is not an option that is open to individual consumers with their own heating systems

### Sustainability considerations

67. This contract is concerned with securing natural gas supplies to heating systems. As such, there are no sustainable alternatives for this form of supply.

### Economic considerations

68. Due to the nature of the energy supply market requirements for suppliers to support local employment would be inappropriate.



**Social considerations**

69. There are no specific social considerations

**Environmental considerations**

70. The consortia will be asked to present the authority with data and any further solutions to manage energy consumption through the council estate. These will be presented in the Gateway 2 report.

**Plans for the monitoring and management of the contract**

71. Client departments are responsible for payment and monitoring of their own invoices. The Energy Team within Environment will act as a single point of contact with the supplier to resolve any outstanding queries

**Resource implications**

72. There are no specific resource considerations

**Staffing/procurement implications**

73. Client departments are responsible for payment and monitoring of their own invoices. The Energy Team within Environment will act as a single point of contact with the supplier to resolve any outstanding queries

**Financial implications**

74. The estimated contract costs have been based on current wholesale costs and the existing sites utilising the framework agreement.
75. Some sites supplied with gas via this contract will be affected by the changes made as part of the disposals and rationalisation programme to the Council estate (included in the closed version of this report). Predicted consumption rates for these will be accounted for in the future contract negotiations, in addition to any new sites that may come on board. These changes will be included in the calculations for the estimated contract value and will be updated into the total values prior to the Gateway 2 Report.
76. It must be emphasised that this report is recommending a buying method, not a set of fixed gas prices resulting from a competitive tender. All predicted costs are therefore based on current market conditions. The actual billed costs will depend on purchasing option taken and prices of gas secured from the wholesale market.

**Consultation**

77. Officers in Corporate Programmes and Regeneration managing the disposal of council offices and the Modernise Programme were consulted on the timescales and status of disposals and the likely level of occupation of remaining sites.
78. For those schools and leisure centres included in the contract notification will be sent to those responsible for paying the bills of the intention to renew the contract and the period covered.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance (KM0511)**

79. This report seeks the approval of the Cabinet to the procurement strategy for the supply of gas (those sites consuming over 25,000 therms) by evaluation of 2 buying consortia - LASER and Buying Solutions. The nature and value of this contract means that this procurement is classed as 'Strategic' under Contract Standing Orders, and therefore the approval of the procurement strategy is reserved to Cabinet.
80. At this value, the contract is also subject to the full application of the EU tendering regulations. However as noted in paragraph 35, both consortia have been subject to an EU compliant process, and either may therefore be used without having to undertake an OJEU advertised tendering process. Following approval of this procurement strategy, an evaluation will be undertaken of the 2 consortia options using the criteria noted in paragraph 48. The outcome of that evaluation will result in a gateway 2 report to seek approval for use of one of the consortia, and to enter into a contract with their supplier.'

### **Finance Director (JB0511)**

81. This report recommends the use of a consortium contract for the procurement of the supply of gas to all sites consuming over 25,000 therms. The report notes that the energy market is extremely volatile, and that prices can vary significantly on a daily basis. Details are given in the Financial Implications section. The report notes that the GW2 report will be on the basis of either "Purchase within Period" or "Purchase in Advance", taking into account the advantages and risks of each approach.

### **Strategic Director of Housing Services (LT0511)**

82. Statutory consultation will have to be carried out with leaseholders under section 20 of the Landlord and Tenant Act 1985 (as amended), should this contract result in a service charge of more than £100 to any leaseholder in any financial year for the course of the contract. The consultation is a two stage process, with a notice of intention being served pre-tender and a notice of proposal served post tender. Each stage also has a thirty day observation period for leaseholders to make comments, and the next stage of procurement cannot proceed until these periods have been closed.
83. It is likely that the Council will not be able to comply with all the requirements of section 20, and will therefore have to make an application to the Leasehold Valuation Tribunal for dispensation of some part of the regulations. Although a fast track application will be made, asking for a paper hearing only, this process could take several weeks.
84. If the Council does not comply with section 20, or get dispensation for those aspects which cannot be complied with, then service charges to affected leaseholders will be limited to £100 per annum for the lifetime of the contract, which could lead to a significant loss to the Housing Revenue Account, depending on the actual cost of this contract. It is therefore vital that before any procurement strategy is agreed the potential annual cost to leaseholders is identified and any necessary statutory consultation is carried out.

**Head of Procurement (MG0511)**

85. This report seeks Cabinet approval of the procurement strategy for the supply of gas to all sites consuming over 25,000 therms. The report identifies two central purchasing bodies that currently buy gas on behalf of local authorities i.e. Buying Solutions and LASER. It is proposed that an assessment of the two procurement vehicles is undertaken to determine which one will secure the best deal for the council.
86. The report details the background to the Council's service requirements and to the energy market in particular. When using these procurement vehicles, individual contracts will be agreed between the supplier and the individual clients.
87. The report explains why it is considered that the engagement of a buying consortium will provide the best procurement option for this service and that this approach to gain access to the wholesale rather than retail market is the nationally recognised best practice approach to energy procurement.
88. The report confirms the process and the evaluation criteria that will be used to select the preferred buying consortium to be engaged to procure this contract. The key selection criteria are set out and these will form the basis for the recommended option at Gateway 2 stage.
89. The proposed procurement process to be followed by the selected consortia will be compliant with the Public Contracts Regulations and OJEU requirements. The total estimated contract value (detailed in the closed version of this report) is for a four year contract commencing in October 2012 with no extension provision. The current estimated costs are based on the current energy market predictions whilst the actual costs will depend on the price to be secured from the wholesale market.
90. Client departments will be responsible for monitoring their own service and invoices whilst the Energy Team will liaise with the supplier.
91. This matter has been reviewed by both the Environment Department Contract Review Board and the Corporate Contract Review Board and recommended changes have been incorporated into this final report.

**BACKGROUND DOCUMENTS**

<b>Background Documents</b>	<b>Held At</b>	<b>Contact</b>
Energy Contracts Schedule	Sustainable Services Southwark Council 160 Tooley Street London SE1 2QH	Andrew Chandler Sustainable Services Manager

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Barrie Hargrove, Transport, Environment & Recycling		
<b>Lead Officer</b>	Gill Davies, Strategic Director of Environment		
<b>Report Author</b>	Ian Smith, Head of Sustainable Services		
<b>Version</b>	Final		
<b>Dated</b>	9 June 2011		
<b>Key Decision?</b>	Yes	<b>If yes, date appeared on forward plan</b>	May 2011
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Strategic Director of Communities, Law & Governance	Yes	Yes	
Finance Director	Yes	Yes	
Head of Procurement	Yes	Yes	
Strategic Director of Housing Services	Yes	Yes	
<b>Contract Review Boards</b>			
Departmental Contracts Review Board	Yes	Yes	
Corporate Contracts Review Board	Yes	Yes	
<b>Date final report sent to Constitutional Team</b>			9 June 2011

<b>Item No.</b> 23.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Appointments to Outside Bodies 2011/12	
<b>Ward(s) or groups affected:</b>		N/a	
<b>From:</b>		Strategic Director of Communities, Law & Governance	

### **RECOMMENDATIONS**

1. That the cabinet consider and agree appointments to the outside bodies listed in Appendix A of the report for the 2011/12 municipal year.
2. That the cabinet note the Southwark Local Strategic Partnership (LSP) and thematic boards (Appendix B of the report) for which cabinet member involvement is required.

### **BACKGROUND INFORMATION**

3. Each year the council makes appointments / nominates individuals to outside bodies.

### **KEY ISSUES FOR CONSIDERATION**

#### **Appointments to outside bodies**

4. It is for the cabinet to make appointments to outside bodies in connection with the functions which are the responsibility of the cabinet (e.g. housing, education, social services, regeneration etc).
5. Attached as Appendix A is a list of the outside bodies the cabinet are being recommended to consider appointing to for the 2011/12 municipal year.
6. Attached as Appendix B is a list of the local strategic partnership board and thematic boards. The terms of reference of the boards contain provision for cabinet member involvement.

#### **Legal implications**

7. There are no specific legal implications.

#### **Community impact statement**

8. The council is being invited to make nominations to various outside bodies. The nominations process has no direct impact on the community.

## Consultation

9. The political group whips have been consulted on the issues contained in the report and have been invited to submit nominations.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Documentation from the relevant Outside Bodies	160 Tooley Street London SE1 2QH	Everton Roberts 020 7525 7221

## APPENDICES

No.	Title
Appendix A	List of outside bodies
Appendix B	List of Southwark LSP and Thematic Partnership Boards

## AUDIT TRAIL

<b>Lead Officer</b>	Ian Millichap, Constitutional Manager	
<b>Report Author</b>	Everton Roberts, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
<b>Date final report sent to Constitutional Team</b>	10 June 2011	

## APPENDIX A

## APPOINTMENTS TO OUTSIDE BODIES 2011/12

Name	Purpose	No. of places	Notes
<b>Age Concern London</b>	To promote the welfare of the aged in any manner that may be deemed by law to be charitable within Greater London.	1	<b>(Health and adult social care function)</b>
<b>Better Bankside Board</b>	To improve the quality of the Bankside environment, further develop the potential draw of the area, increase the sense of security and ensure that better and sustainable maintenance and management arrangements are put in place.	1	<b>(Regeneration function)</b>  Councillor or officer.
<b>Browning Estate Management Board</b>	To oversee the management/running of Browning Estate with its own independent budget.	4	<b>(Housing function)</b>  <ul style="list-style-type: none"> <li>• Two councillors</li> <li>• Two officer representatives</li> </ul>
<b>Canada Water Consultative Forum</b>	The forum is responsible for advising on the overall direction of development proposals and ensuring public awareness and involvement in the development proposals.	4	<b>(Regeneration function)</b>
<b>Central London Forward</b>	To provide a cross-sector 'voice for central London'. It operates at a strategic level, seeking to influence policy makers on matters of mutual interest to the communities and businesses of central London.	1	<b>(Regeneration function)</b>  Must be the Leader of the Council
<b>Centre for Language in Primary Education</b>	Professional development and family learning centre. Provides a range of education support, advisory and direct delivery services to schools and families throughout Southwark.	1	<b>(Education function)</b>

Name	Purpose	No. of places	Notes
<b>Creation Trust (The New Aylesbury Trust Limited)</b>	<p>The Creation Trusts key aims are;</p> <p>Engaging the community within the regeneration programme.</p> <p>Tackling issues around skills and training, young people and health and wellbeing.</p>	3	<b>(Regeneration function)</b>
<b>Cross River Board</b>	<p>To deliver cross-borough regeneration initiatives north and south of the River Thames in the London Boroughs of Southwark and Lambeth, the Corporation of London and the City of Westminster.</p>	1	<b>(Regeneration function)</b>  Usually the leader or cabinet member for regeneration.
<b>Crystal Palace Community Development Trust</b>	<p>Trust set up to oversee the development of the Crystal Palace area.</p>	1	<b>(Regeneration function)</b>
<b>Cycling England (Member Champion for Cycling)</b>	<p>To support and encourage the council in its work to ensure that the promotion and encouragement of cycling as a means of transport as well as for leisure, plays a central role in the development and implementation of the council's policies and strategies.</p>	1	<b>(Transport function)</b>  The member champion should be a regular cyclist.
<b>Greater London Enterprise Limited</b>	<p>To assist, promote, encourage and secure the physical and economic development and regeneration of the whole or any part of Greater London.</p>	1	<b>(Regeneration function)</b>  Does not have to be a councillor.
<b>Green Chain Joint Committee</b>	<p>To jointly administer the South East London Green Chain, which consists of over 300 open spaces across five boroughs.</p>	2	<b>(Leisure function)</b>



Name	Purpose	No. of places	Notes
<b>Groundwork Borough Steering Group</b>	To oversee Groundwork's activities in Southwark.	4	<b>(Environment function)</b>  A representative from each political group to be nominated; reports to the sub-regional committee.
<b>Groundwork South London Sub-Regional Committee</b>	To collectively oversee Groundwork's activities across South London.	1	<b>(Environment function)</b>  One representative from amongst those appointed to the borough steering group to be nominated.
<b>Guys and St Thomas NHS Foundation (Council of Governors)</b>	<p>To advise the trust on how it carries out its work so that it is consistent with the needs of the members and wider community.</p> <p>The governors:</p> <ul style="list-style-type: none"> <li>• help the trust to carry out its duties in ways that meet with NHS values and the terms agreed with Monitor, the independent regulator for NHS Foundation Trusts</li> <li>• advise the trust on its longer term strategy</li> <li>• provide advice and support to the Board of Directors, who are responsible for the overall management of the trust.</li> </ul>	1	<b>(Health function)</b>
<b>Lambeth and Southwark Housing Association Limited</b>	To provide affordable rented housing for local people on low incomes.	1	<b>(Housing function)</b>

Name	Purpose	No. of places	Notes
<b>Lee Valley Regional Park Authority</b>	<p>The Lee Valley Regional Park Authority (the Authority) is a statutory body responsible for managing and developing the 26 mile long, 10,000 acre linear Lee Valley Regional Park</p> <p>The Authority has a broad remit with a duty to develop and preserve leisure, recreation, sport and nature throughout the Regional Park.</p> <p>By virtue of its remit and geography, the Lee Valley Regional Park Authority finds itself at the heart of the Olympic project and is working with partners to deliver the venues on its land and secure a sustainable Olympic and Paralympic legacy for the region.</p>	1	<b>(Leisure function)</b>
<b>Local Government Association (LGA) Urban Commission</b>	<p>To provide a forum in which urban authorities can discuss matters of common concern and exchange good practice and experience.</p> <p>To assist the LGA take into account the needs, priorities and aspirations of urban authorities in formulating and promoting its policies.</p> <p>To help the LGA to promote the role and interests of urban authorities and the ability of those authorities to meet the needs of the communities they serve.</p>	2	<b>(Regeneration function)</b> <p>The council is entitled to five votes and may allocate them amongst councillor representatives as it sees fit. One representative may be an officer, however only councillor representatives may vote.</p>
<b>London Accident Prevention Council (LAPC)</b>	<p>To reduce the number of road accident casualties within Greater London and provide a means of communication relating to road accident prevention between London local authorities, central government and other organisations.</p>	2	<b>(Community safety function)</b> <p>Up to two elected members and an officer from road safety education.</p>

Name	Purpose	No. of places	Notes
<b>London Youth Games Limited</b>	The London Youth Games Limited organise the annual London Youth Games on behalf of the London boroughs. It is a non-profit making company owned and guaranteed by the London boroughs and the City of London Corporation.	1	<b>(Leisure function)</b>  1 representative and 1 deputy
<b>North Southwark Environment Trust</b>	The preservation and conservation of the environment for the benefit of the public, including the promotion of energy efficiency and efficient methods of disposing of waste.  The provision of facilities for education, recreation or other leisure time occupation, in the interests of improving the conditions of life of the inhabitants covered by the area of benefit.	1	<b>(Environment function)</b>  Does not have to be a councillor.  The area of benefit covered by the trust is north of the roads known as Camberwell New Road, Camberwell Church Street, Peckham Road, Peckham High Street and Queens Road.
<b>South Bank Partnership</b>	Engagement with South Bank employers groups, local MPs and community organisations in North Lambeth and Southwark (Bankside).	4	<b>(Regeneration function)</b>  1 representative and local ward councillors.
<b>South Bank and Bankside Cultural Quarter Directors Board</b>	To work with the community to celebrate the richness and diversity of cultural activity in the quarter and across London and engage with local communities.	1	<b>(Community engagement function)</b>

Name	Purpose	No. of places	Notes
<b>South London Gallery Trustee Limited</b>	To act as trustees and director of South London Gallery Trustee Ltd (the sole trustee of the South London Fine Art Gallery and Library Trust), which operates the South London Gallery as a public contemporary art gallery. Southwark Council is a major funder of the gallery but trustees must act solely in the best interests of the charity and are responsible for controlling the management and administration of the charity in line with the governing document.	3	<b>(Leisure function)</b>  The membership is allocated by local agreement – 1 from each political group.
<b>South London and Maudsley (SLaM) NHS Trust Members Council</b>	To support the board of directors in setting the longer-term vision for the trust and to influence proposals to make changes to services and to act in a way that is consistent with NHS principles and values and the terms of the trust's authorisation.	1	<b>(Health function)</b>
<b>Southwark and Lambeth Archaeological Excavation committee (SLAEC)</b>	The SLAEC is an advisory body established to promote archaeological work in Southwark and to advance the knowledge of the history of Southwark and Lambeth by archaeological investigation.	1	<b>(Leisure function)</b>  One representative and one deputy.
<b>Southwark Cathedral Education Centre</b>	The Education Centre exists to help teachers cover the curriculum for primary and secondary education in imaginative ways, while playing its part in the Cathedral's outreach and mission and presenting the Cathedral as a place of worship.	1	<b>(Education function)</b>

Name	Purpose	No. of places	Notes
<b>Southwark Community Leisure Ltd. (Fusion) Management Board</b>	Responsible for the management of the strategic development of health, fitness and leisure services within the borough in partnership with Southwark Council.	3	<b>(Leisure function)</b>  One from each political group. Does not have to be a councillor.
<b>Southwark Lesbian, Gay, Bi-sexual and Trans (LGBT) Forum</b>	The Southwark LGBT Forum provides an engagement link between the lesbian, gay, bisexual and trans (LGBT) community and the council on matters relating to homophobia, transphobia and hate crimes targeted at this community of interest.  Since 1995 the Forum has continued to meet bi-monthly and offer a space where the community can interact with service providers and organisations to enable them to improve their service provision by consulting with and listening to the community.	3	<b>(Equalities and community engagement function)</b>
<b>Southwark Police and Community Consultative Group</b>	To provide for consultation, discussion and consideration with local community representatives, the police and the local authority on any matter directly or indirectly concerned with any aspect of the policing within the borough of Southwark.	10	<b>(Community safety function)</b>
<b>Team London Bridge)</b>	To establish the London Bridge area as a world class business district and visitor destination offering businesses, workers, visitors and residents a better managed and cared for trading environment, which is cleaner, greener and safer and more friendly, attractive, connected and socially responsible.	1	<b>(Regeneration function)</b>  Usually a ward councillor

Name	Purpose	No. of places	Notes
<b>Waterloo Quarter Business Alliance – Southwark (Business Improvement District)</b>	To create a safer and more pleasant trading environment for businesses and to promote the area to bring in more visitors, whilst maintaining its individuality and unique character.	1	<b>(Regeneration function)</b> Usually a ward councillor

## APPENDIX B

## APPOINTMENTS TO OUTSIDE BODIES 2011/12

SOUTHWARK LOCAL STRATEGIC PARTNERSHIP AND  
THEMATIC PARTNERSHIPS

Name	Purpose	No. of places	Notes
<b>Southwark Local Strategic Partnership</b>	<p>To improve the lives of the people in Southwark by:</p> <ul style="list-style-type: none"> <li>• Setting the overall vision for the future of the borough;</li> <li>• Acting to promote change and build on the creativity within sectors of the community;</li> <li>• Agreeing goals and targets and prioritising work and key decisions;</li> <li>• Taking forward and problem solving the big issues around regeneration, crime, health, education, employment and the environment;</li> <li>• Negotiating with and influencing government departments and other agencies;</li> <li>• Influencing and helping to co-ordinate theme based and regeneration partnerships.</li> </ul>	2	<p>Terms of reference specify must be leader of the council and the leader of the opposition group.</p> <p>The leader of the council chairs the Southwark LSP.</p>
<b>Southwark Children's and Families Trust</b>	To improve the life chances of children, young people and families in Southwark	1	<p>Terms of reference specify must be cabinet member with responsibility for children's services.</p> <p>The cabinet member chairs the meeting.</p>

Name	Purpose	No. of places	Notes
<b>Safer Southwark Partnership</b>	The Safer Southwark Partnership (SSP) aims to reduce crime and disorder in Southwark.	1	Terms of reference specify must be cabinet member with responsibility for community safety.
<b>Southwark Housing Strategic Partnership</b>	The purpose of Southwark Housing Strategic Partnership is to improve the lives of residents through developing and effectively responding to a sound and shared understanding of the housing needs of residents across all tenures, making the best use of resources.	1	Terms of reference specify must be cabinet member with responsibility for housing.
<b>Southwark Sustainable Environment Partnership</b>	The Southwark Sustainable Environment Partnership promotes the importance of a quality, liveable, sustainable environment for all who live in, work in and visit Southwark.	1	<p>Terms of reference specify must be cabinet member with responsibility for environment.</p> <p>The cabinet member chairs the meeting.</p>
<b>Adult Health and Wellbeing Thematic Group</b>	To improve the health, well being and independence of adults who live and work in Southwark and by doing so reduce the need for and dependence on health and social care services.	1	<p>Terms of reference specify must be cabinet member with responsibility for health and adult care.</p> <p>The cabinet member chairs the meeting.</p> <p>The activities of this thematic group are currently suspended whilst the government white paper on Health goes through parliament.</p>
<b>Local Economy Group</b>	The Local Economy Group aims to address through the economic development strategy, high levels of unemployment and deprivation in Southwark, to maximise strategic partners' contribution to the success of the local economy and to lift the economic wellbeing of the borough's residents.	1	Terms of reference specify must be cabinet member with responsibility for regeneration.



<b>Item No.</b> 24.	<b>Classification:</b> Open	<b>Date:</b> 21 June 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Nominations to Panels, Boards and Forums 2011/12	
<b>Ward(s) or groups affected:</b>		N/a	
<b>From:</b>		Strategic Director of Communities, Law & Governance	

## RECOMMENDATIONS

1. That the cabinet agrees the allocation of places to the panels and boards and forums set out in Appendix A of the report for the 2011/12 municipal year and nominates members accordingly.
2. That the cabinet considers whether to appoint a chair and vice-chair to the following bodies from amongst those individuals appointed to serve:
  - Pensions Advisory Panel
  - Standing Advisory Council on Religious Education

## BACKGROUND INFORMATION

3. It is for the cabinet to agree the allocation of places to panels, boards and forums in connection with the functions that are the responsibility of the cabinet (i.e. housing, education, social serves, regeneration etc).

## KEY ISSUES FOR CONSIDERATION

### Proportionality

4. Appendix A sets out the detail of those, panels, boards and forums for which nominations are required for the 2011/12 municipal year. There is no requirement that appointments to panels, boards and forums are proportionate and in the past, where the allocation of seats has been proportionate, this has been done by local agreement.
5. There is no requirement that a seat allocated to a particular group can only be filled by a member of that group. Therefore groups have the discretion to allocate seats as they wish, including to a member of another group or an individual councillor.

### Appointment of chairs and vice-chairs

6. In recommendation two, members are asked to consider whether the appointment of the chair and vice-chair of the Pensions Advisory Panel and Standing Advisory Council on Religious Education (SACRE) should be agreed by the cabinet or at the first meeting of the body. If Members are minded to agree the chair and vice-chair at this meeting then names should be given at the time:

- Pensions Advisory Panel
- Standing Advisory Council on Religious Education

7. Currently SACRE appoint the chair and vice-chair in September of each year.

#### **Establishment of new bodies**

8. Members may wish to establish new bodies or recommend that officers look into changing the status of existing bodies. In relation to the creation of new bodies, Members will need to:

- agree new terms of reference
- agree the membership and allocation of places
- consider whether to appoint the chair and vice-chair

9. Copies of the terms of reference of the bodies referred to in Appendix A of the report are available on request.

#### **Community impact statement**

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

#### **BACKGROUND DOCUMENTS**

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

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	List of Panels, Boards and Forums

**AUDIT TRAIL**

<b>Lead Officer</b>	Ian Millichap, Constitutional Manager	
<b>Report Author</b>	Everton Roberts, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	9 June 2011	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
<b>Date final report sent to Constitutional Team</b>		10 June 2011

NOMINATIONS TO PANELS, BOARDS AND FORUMS 2011/12

ADOPTION PANEL

Summary of Functions	Status	Membership	Politically Proportionate
To recommend to the adoption agency whether adoption is in a child's best interests and if he/she should be freed for adoption, to assess the suitability of prospective adopters and whether the matching between a child and adopters is appropriate.	Statutory.  Adoption Agency Regulations.	1 Councillor 3 Officers (to include 1 Medical Adviser) 5 Independent Members 1 legal advisor	N/a

Allocation 2010/11	Proposed Allocation 2011/12	Council Appointment	Comments
Labour – 1 Liberal Democrats – 0 Conservatives – 0	1 Councillor	1 Councillor	

## ADMISSIONS FORUM

Summary of Functions	Status	Membership	Politically Proportionate
<p>1. The statutory role of the Admissions Forum as set out in the Schools Admissions Code is 'to have a key role in ensuring a fair admissions system that promotes social equity'. Part of the role is to advise local authorities and admission authorities on matters relating to school admissions.</p> <p>2. Admission Forums must:</p> <ul style="list-style-type: none"> <li>a) consider how well existing and proposed admission arrangements serve the interests of children and parents within the area of the local authority;</li> <li>b) promote agreement on admission issues;</li> <li>c) review the comprehensiveness, effectiveness within the local context, and accessibility of advice and guidance for parents by the local authority, both through the published composite prospectus and the delivery of Choice Advice within the area of the forum;</li> <li>d) consider the effectiveness of the authority's proposed co-ordinated admission arrangements, and advise on whether the authority's proposed co-ordinated admission arrangements differ substantially from the previous year;</li> <li>e) consider the means by which admissions processes might be improved and how actual admissions relate to the admission numbers published.</li> </ul>	<p>Statutory.</p> <p>The Education (Admissions Forums) Regulations 2002 under the Standards and Framework Act 1998.</p> <p>Revised School Admissions Code (February 2009).</p>	<p>2 local authority representatives</p> <p>3 Community School representatives</p> <p>2 Foundation School representatives</p> <p>1 - 3 Voluntary Aided School representatives</p> <p>1 Church of England Diocese representative</p> <p>1 Roman Catholic Diocese representative</p> <p>2 Parent Governor representatives</p> <p>1 -3 Academy Representatives</p> <p>1 - 3 local community representatives.</p>	<p>N/a</p>

Summary of Functions	Status	Membership	Politically Proportionate
<p>f) Monitor the admission of children who arrive in the authority's area outside a normal round with a view to promoting arrangements for the fair distribution of such children among local schools, taking account of any preference expressed.</p> <p>g) Promote the arrangements for children with special educational needs, children in care and children who have been excluded from school;</p> <p>h) Monitor the effectiveness of local authority Fair Access Protocols; and,</p> <p>i) Consider any other admissions issues that arise.</p>			

Allocation 2010/11	Proposed Allocation 2011/12	Council Appointment	Comments
Labour – 1 Liberal Democrats – 1 Conservatives – 0	Labour – 1 Liberal Democrat – 1	2 councillors	

### FOSTERING PANEL

Summary of Functions	Status	Membership	Politically Proportionate
To make recommendations to the fostering service about the approval of prospective foster carers, the re-approval of foster carers at the time of their first annual review, to hear appeals by foster carers who are not in agreement that their approval is terminated and to give advice to the fostering service, when requested. The panel will also give and receive feed back to/from the fostering service to ensure that standards are maintained.	Statutory  Fostering Services Regulations 2002  National Minimum Standards for Fostering Services 2002	1 Councillor 5 Officers 4 Independent Members	N/a

Allocation 2010/11	Proposed Allocation 2011/12	Council Appointment	Comments
Labour – 1 Liberal Democrats – 0 Conservatives – 0	1 Councillor	1 Councillor	None

**JOINT PARTNERSHIP PANEL (TRADE-UNION CONSULTATION)**

<b>Summary of Functions</b>	<b>Status</b>	<b>Membership</b>	<b>Politically Proportionate</b>
To provide a member-level trade union consultation forum for dialogue on corporate policy issues and corporate proposals affecting the workforce.	Consultation Forum	2 Councillors, Head of Human Resources. Plus accredited Branch Secretaries of Unison, GMB, UCATT & Unite.	N/a

<b>Allocation 2010/11</b>	<b>Proposed Allocation 2011/12</b>	<b>Council Appointment</b>	<b>Comments</b>
2 representatives from the cabinet. In 2010/11 the cabinet members were the leader of the council and cabinet member responsible for human resources.	2 representatives from the cabinet	2 Councillors	None



### LEASEHOLDERS ARBITRATION PANEL

Summary of Functions	Status	Membership	Politically Proportionate
To resolve disputes between Southwark Right to Buy applicants, Southwark Council leaseholders and Residential Freeholders who pay a service charge to Southwark Council.	Panel	Unlimited	N/a

Allocation 2010/11	Proposed Allocation 2011/12	Council Appointment	Comments
Labour - 9 Liberal Democrats – 7 Conservatives – 1 to act as pool.	Unlimited	Minimum of 17 Councillors as allocated in 2010/11	Members are required to undertake training prior to sitting on a panel.  Cabinet members are not able to be members of the panel.

**PENSIONS ADVISORY PANEL**

<b>Summary of Functions</b>	<b>Status</b>	<b>Membership</b>	<b>Politically Proportionate</b>
To assist the finance director in the management of the pensions function within the council.	Advisory Panel	3 councillors 3 officers 2 independent advisors 2 trade union representatives (observers)	N/a

<b>Allocation 2010/11</b>	<b>Proposed Allocation 2011/12</b>	<b>Council Appointment</b>	<b>Comments</b>
Labour – 1 Liberal Democrats – 1 Conservatives – 1	No change	3 councillors	One member from each political group.

**SECURE ACCOMMODATION PANEL**

<b>Summary of Functions</b>	<b>Status</b>	<b>Membership</b>	<b>Politically Proportionate</b>
To review the cases of children admitted to secure accommodation.		2 Councillors Plus Independent Person	N/a

<b>Allocation 2010/11 (No. of Reserves in brackets)</b>	<b>Proposed Allocation 2011/12 (No. of Reserves in brackets)</b>	<b>Council Appointment</b>	<b>Comments</b>
Labour – 1 (1) Liberal Democrats – 1 (1) Conservatives – 0 (n/a)	No change	2 Councillors	Officers suggest the councillors be members of the corporate parenting committee.  Secure Accommodation Panel meetings are infrequent and may involve significant travel.

## SOUTHWARK SAFEGUARDING CHILDREN'S BOARD

Summary of Functions	Status	Membership	Politically Proportionate
<p>To promote and safeguard the welfare of children.</p> <p>To engage in activities that safeguard all children and aim to identify and prevent maltreatment or impairment of health or development.</p> <p>To ensure that children are growing up in circumstances consistent with safe and effective care.</p> <p>To lead and co-ordinate proactive work that aims to target particular groups and to arrange for responsive work to protect children who are suffering, or likely to suffer significant harm.</p>	Statutory.	Senior managers from different services and agencies including independent and voluntary sector.	N/a

Allocation 2010/11	Proposed Allocation 2011/12	Council Appointment	Comments
Cabinet Member for Children's Services	Cabinet Member for Children's Services	1	Cabinet member for Children's Services to be participant observer.

**STANDING ADVISORY COUNCIL ON RELIGIOUS EDUCATION**

<b>Summary of Functions</b>	<b>Status</b>	<b>Membership</b>	<b>Politically Proportionate</b>
To review the existing provision of Religious Education and consider whether any changes need to be made in the agreed syllabus or in support offered to schools. To monitor the provision of the daily collective worship and to consider any action to improve such provision.	Statutory	4 Councillors Plus representatives of local faith groups and Teachers Associations	N/a

<b>Allocation 2010/11</b>	<b>Proposed Allocation 2011/12</b>	<b>Council Appointment</b>	<b>Comments</b>
Labour – 2 Liberal Democrats – 2 Conservatives – 0	No change	4 Councillors	

### TENANCY AGREEMENT ARBITRATION PANEL

Summary of Functions	Status	Membership	Politically Proportionate
To resolve certain disputes between secure tenants and the council (landlord) arising from a breach within the terms of the Tenancy Agreement.	Panel	Unlimited	N/a

Allocation 2010/11	Proposed Allocation 2011/12	Council Appointment	Comments
Labour – 9 Liberal Democrats – 7 Conservatives – 1 to act as pool.	Unlimited	Minimum of 17 Councillors as allocated in 2010/11	Members will be required to undertake training prior to sitting on a panel.  Cabinet members are not able to be members of the panel.

**TENANTS MANAGEMENT ORGANISATION LIASION COMMITTEE**

<b>Summary of Functions</b>	<b>Status</b>	<b>Membership</b>	<b>Politically Proportionate</b>
To discuss with representatives of TMO's issues of mutual interest.	Statutory	4 Councillors Plus TMO Representatives Cabinet Member for Housing	N/a

<b>Allocation 2010/11</b>	<b>Proposed Allocation 2011/12</b>	<b>Council Appointment</b>	<b>Comments</b>
Labour – 2 Liberal Democrats – 2 Conservatives – 0	Labour – 2 Liberal Democrat – 2 Conservative – 0	4 Councillors and Cabinet Member with responsibility for Housing	

**CABINET AGENDA DISTRIBUTION LIST****MUNICIPAL YEAR 2011-12**

**NOTE:** Original held by Constitutional Team; all amendments/queries to  
Paula Thornton/Everton Roberts Tel: 020 7525 4395/7221

To	Copies	To	Copies
<b>Cabinet Members</b>	1 each	<b>Officers</b>	
P John / I Wingfield / F Colley / D Dixon-Fyle / B Hargove / R Livingstone / C McDonald / A Mohamed / V Ward		Constitutional Team, Tooley Street	4
		Doreen Forrester-Brown	1
		Jennifer Seeley	1
<b>Other Councillors</b>	1 each	<b>Trade Unions</b>	
C Bowman / A Simmons / T Eckerseley / G Edwards / D Garfield / D Hubber / V Mills / D Noakes/ the Right Revd E Oyewole / M Williams / T McNally		Roy Fielding, GMB	1
		Mick Young, Unite	1
		Chris Cooper, Unison	1
		Tony O'Brien, UCATT	1
		Michael Davern, NUT	1
		James Lewis, NASUWT	1
		Pat Reeves, ATL	1
<b>Group Offices</b>		Sylvia Morriss, NAHT	1
Alex Doel, Cabinet Office	1	Irene Bishop, ASCL	1
Steven Gauge, Opposition Group Office	1		
		<b>Others</b>	
<b>Press</b>		Shahida Nasim, Audit Commission	1
Southwark News	1	Robin Campbell, Press Office	1
South London Press	1	Constitutional Officer	20
<b>Members of Parliament</b>		<b>Total:</b>	73
Harriet Harman, MP	1		
Tessa Jowell, MP	1		
Simon Hughes, MP	1		
<b>Corporate Management Team</b>			
Annie Shepperd	1		
Romi Bowen	1		
Deborah Collins	1		
Gill Davies	1		
Eleanor Kelly	1		
Gerri Scott	1		
Susanna White	1		
Duncan Whitfield	1		
Stephen Platts	1		
		<b>Dated:</b> 26 May 2011	