

## Cabinet

Tuesday 20 September 2011

4.00 pm

Ground Floor Meeting Room G01A - 160 Tooley Street, London  
SE1 2QH

### 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

---

### INFORMATION FOR MEMBERS OF THE PUBLIC

---

#### Access to information

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

#### Babysitting/Carers allowances

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

#### Access

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

#### Contact

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

---

Members of the committee are summoned to attend this meeting

#### Councillor Peter John

Leader of the Council

Date: 12 September 2011



# Cabinet

Tuesday 20 September 2011

4.00 pm

Ground Floor Meeting Room G01A - 160 Tooley Street, London SE1 2QH

## 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 - 10   |
|           | To approve as a correct record the minutes of the open section of the meeting held on 19 July 2011.                                                     |          |

| Item No. | Title                                                                                                                                                                                                                                                                                                                                               | Page No. |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 6.       | <b>DEPUTATION REQUESTS</b>                                                                                                                                                                                                                                                                                                                          |          |
|          | To consider any deputation requests.                                                                                                                                                                                                                                                                                                                |          |
| 7.       | <b>SCHOOL ADMISSIONS REVIEW - REPORT OF THE EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE</b>                                                                                                                                                                                                                                            | 11 - 39  |
|          | To note the recommendations of the review of school admissions undertaken by the education and children's services scrutiny sub-committee and to request that the cabinet member for children's services bring a report to cabinet in order to respond to the overview and scrutiny committee.                                                      |          |
| 8.       | <b>REPORTING THE OUTCOME OF STATUTORY CONSULTATION ON THE PROPOSED ENLARGEMENT OF ST. ANTHONY'S CATHOLIC PRIMARY SCHOOL FROM 1.5 TO A 2 FORM ENTRY PRIMARY SCHOOL FROM 1 SEPTEMBER 2012</b>                                                                                                                                                         | 40 - 46  |
|          | To agree proposals contained in the statutory notice which will effect the permanent enlargement of St. Anthony's Catholic Primary School from a 1.5 to a 2 form entry primary school from 1 September 2012.                                                                                                                                        |          |
| 9.       | <b>QUARTERLY REVENUE MONITORING REPORT QUARTER 1, 2011/12, INCLUDING TREASURY MANAGEMENT</b>                                                                                                                                                                                                                                                        | 47 - 65  |
|          | To note                                                                                                                                                                                                                                                                                                                                             |          |
|          | <ul style="list-style-type: none"> <li>• the general fund outturn forecast for 2011/12 and the forecast net movement in reserves;</li> <li>• the housing revenue account's (HRA) forecast outturn for 2011/12 and resulting forecast movement in reserves;</li> <li>• the treasury management activity for the first quarter of 2011/12.</li> </ul> |          |
|          | To the forecast performance for the council tax and business rates collection fund, and that a report will be brought to cabinet and put on the forward plan on the performance of the service since moving it in-house.                                                                                                                            |          |
|          | To approve the general fund budget movements that exceed £250,000.                                                                                                                                                                                                                                                                                  |          |
| 10.      | <b>QUARTERLY CAPITAL MONITORING REPORT QUARTER 1</b>                                                                                                                                                                                                                                                                                                | 66 - 86  |
|          | To approve the addition of budgets into the programme, note the current monitoring position of the capital programme, to allocate the necessary capital resources to redevelop the area immediately in front of Peckham Rye Station and to bring forward the work on Seven Islands Leisure Centre.                                                  |          |

| Item No. | Title                                                                                                                                                                                                                                        | Page No.  |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 11.      | <b>APPROVAL OF THE COUNCIL'S TRANSPORT FOR LONDON FUNDED WORK PROGRAMME FOR 2012/13 AND INDICATIVE PROGRAMME TO 2013/14 FOR SUBMISSION TO TRANSPORT FOR LONDON</b>                                                                           | 87 - 95   |
|          | To agree the content of the council's proposed submission to Transport for London identifying transport projects to be delivered.                                                                                                            |           |
| 12.      | <b>GATEWAY 2: CONTRACT AWARD APPROVAL - SUPPLY OF GAS TO SITES CONSUMING LESS THAN 25,000 THERMS</b>                                                                                                                                         | 96 - 110  |
|          | To approve the award of the supply of gas to all sites consuming less than 25,000 therms to LASER.                                                                                                                                           |           |
| 13.      | <b>MOTIONS REFERRED FROM COUNCIL ASSEMBLY</b>                                                                                                                                                                                                | 111 - 119 |
|          | To consider motions referred from the 6 July 2011 council assembly on the following:                                                                                                                                                         |           |
|          | <ul style="list-style-type: none"> <li>• Motion on themed debate: achievements of Southwark's young people</li> <li>• Homes for families</li> <li>• Southwark's housing investment programme</li> <li>• Protecting Southwark Park</li> </ul> |           |
| 14.      | <b>GATEWAY 2: CONTRACT AWARD APPROVAL - SUPPLY OF GAS TO SITES CONSUMING MORE THAN 25,000 THERMS</b>                                                                                                                                         | 120 - 134 |
|          | To approve the award of the supply of gas to all sites consuming over 25,000 therms to LASER.                                                                                                                                                |           |
| 15.      | <b>ENERGY AND CARBON REDUCTION STRATEGY</b>                                                                                                                                                                                                  | 135 - 169 |
|          | To note the different drivers for carbon reduction in Southwark and work undertaken to date including the green audits of the council.                                                                                                       |           |
| 16.      | <b>OVERVIEW AND SCRUTINY COMMITTEE CALL-IN DECISION: PROCUREMENT STRATEGY AND PROCUREMENT AWARD OF LOCAL EDUCATION PARTNERSHIP TO DELIVER DESIGN WORK FOR THE ELEPHANT AND COUNCIL LEISURE CENTRE</b>                                        | 170 - 172 |
|          | To consider a report from the overview and scrutiny committee.                                                                                                                                                                               |           |
| 17.      | <b>AUTHORISATION OF DEBT WRITE-OFF OVER £50,000 FOR HEALTH AND COMMUNITY SERVICES</b>                                                                                                                                                        | 173 - 175 |
|          | To seek agreement for the write-off of debt.                                                                                                                                                                                                 |           |

| <b>Item No.</b> | <b>Title</b>                                                                                     | <b>Page No.</b> |
|-----------------|--------------------------------------------------------------------------------------------------|-----------------|
| <b>18.</b>      | <b>22 CHAMPION GROVE, SE5 AND 11 DESENFANS ROAD, LONDON SE21 - DISPOSAL OF FREEHOLD INTEREST</b> | 176 - 182       |

To authorise the head of property to dispose of the council's freehold interest in 22 Champion Grove, SE5 and 11 Desenfans Road, SE21 and to earmark capital receipts for the purposes of funding the housing investment programme.

|            |                                                   |           |
|------------|---------------------------------------------------|-----------|
| <b>19.</b> | <b>DISPOSAL OF 4 HEATON ROAD, LONDON SE15 3TH</b> | 183 - 187 |
|------------|---------------------------------------------------|-----------|

To seek disposal of the council's freehold interest in 4 Heaton Road, London SE15 3TH.

#### **OTHER REPORTS**

The following item is also scheduled to be considered at this meeting:

|            |                                                                                                              |
|------------|--------------------------------------------------------------------------------------------------------------|
| <b>20.</b> | <b>AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - REVENUES AND BENEFITS</b> |
|------------|--------------------------------------------------------------------------------------------------------------|

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

#### **EXCLUSION OF PRESS AND PUBLIC**

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

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

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

**Item No.**

**Title**

**Page No.**

**PART B - CLOSED BUSINESS**

**21. MINUTES**

To approve as a correct record the minutes of the closed section of the meeting held on 19 July 2011.

**22. DISPOSAL OF 4 HEATON ROAD, LONDON SE15 3TH**

**OTHER REPORTS**

The following item is also scheduled to be considered at this meeting:

**23. AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - REVENUES AND BENEFITS (CLOSED)**

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

Date: 12 September 2011



## Cabinet

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

---

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

### 1. APOLOGIES

Apologies for lateness were received from Councillor Ian Wingfield.

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

The chair gave notice of two late deputation requests on:

- Pumphouse Educational Museum - Funding.
- Cycling Provision in the Transport Plan

### 3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

The chief executive declared an interest in item 15, Southwark Council Representation on Potters Fields Park Management Trust as she was a member of the Potters Fields park trust.

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

The following public questions were received:-

##### 1. Question from Mr. Mick Barnard

“Can you confirm the next report on Southwark's Cemeteries Strategy will contain the 1996 report, 2002 report for the Institute of Cemeteries and Cremations, the 2000 Steering Group minutes including any associated planning applications and other relevant information as required by the constitution ?”

Councillor Barrie Hargrove responded:

“Any future report on Cemeteries strategy will be focussed upon seeking a long term strategy for burial provision. As required by the constitution the report will set out a list of those documents relating to the subject matter of the report which in the author's opinion:

- a) disclose any facts or matters on which the report or an important part of the report is based and
- b) which have been relied on to a material extent in preparing the report but does not include published works.

I am happy that if the documents that Mr Barnard refers to can be located, these can be included under the background documents section, once the final report is published.”

##### 2. Question from Mr. Antony Eaves

Mr. Antony Eaves was not present at the meeting and his question was read out by the leader of the council as follows:

“Is the borough of Southwark committed to enabling young people with disabilities to participate in all sports activities particularly the London Youth Games, and will Southwark ensure that the 2012 London Youth Games Sailing regatta include a class of dinghy that allows young people with disabilities to participate along with those without disabilities, thereby ensuring equality and ensuring that the event is compliant with the Equality Act 2010. “

Councillor Veronica Ward responded:

She advised of her written response set out in italics below. Councillor Ward also reported that the London Youth Games does include games for people with disabilities. But she didn't know whether it included sailing for people with disabilities. She would be writing to the London Youth Games and would also be meeting with Tideways.

*Southwark Council were one of the first signatories of the first 'Inclusive and Active' programme from "Interactive" (formerly the London Sports Forum for Disabled People) and are signatories of 'Inclusive and Active 2', our commitment*



*is reflected in the borough's Sport and Physical Activity Strategy and in the gains that have been made in uptake of activity by people with disabilities. 'Inclusive and Active' aims, specifically, to break down the barriers between sport for people with and without disabilities with the ultimate objective of fully inclusive sport for all wherever it can be achieved. Southwark Council is also committed to supporting these aims and objectives. I will write to the London Youth Games to pursue the inclusion in next year's regatta, of a dinghy class that allows young people with disabilities to participate along with those without disabilities and will inform you of the outcome.*

## 5. MINUTES

### RESOLVED:

That the open minutes of the meeting held on 21 June 2011 be approved as a correct record and signed by the chair.

### Variation to agenda item order

The report items were considered in the following order as the Chair had to leave the meeting at 5.45pm: Item 6, 7,11,8,14,17,22,9,10,12,13,15,16,23,24,25.

The chair left the meeting after consideration of item 22. Councillor Ian Wingfield, Deputy Leader chaired the meeting from item 9 onwards.

## 6. PETITIONS

A petition containing 3754 signatures was presented to cabinet from the local community regarding the proposed removal of the 3 lollipop people who work on the two schools crossings on East Dulwich Grove which are used by children attending schools in the area. The petition was presented by Ms Celia Robertson, spokesperson.

The petitioners thanked the council and in particular the cabinet member for transport, environment and recycling for agreeing to keep the lollipop people for another year. The petitioners welcomed the fact that this decision was borough wide and covered all the crossing personnel in Southwark.

The petitioners stressed that the lollipop personnel were not a luxury but essential. The petitioners also stressed that the school crossing patrols could not safely and reliably be undertaken by parent volunteers.

With regard to the Council suggesting that the schools maintain the crossings service, the petitioners felt that as this was a road safety issue it should be funded by the council.

The petitioners urged the council to ring-fence funding for this vital service and asked for the permanent retention of crossing patrols as part of the council's integrated approach to road safety and children's health in the community.

At the conclusion of the spokespersons address, the cabinet debated the petition.

**RESOLVED:**

That the comments of the petitioners and the strategic director of environment, paragraphs 8 – 11 of the report be noted.

**7. DEPUTATION REQUESTS****Pumphouse Educational Museum – Funding**

The cabinet received a deputation from a group of individuals concerning funding cuts to the Pumphouse Educational Museum.

The deputation spokesperson Mr Kruger De Koch reported that a community space was needed where the community could be nurtured and developed. He advised that the Pumphouse was excellently placed and was accessible to the entire community. It was used by old, young and disabled people and enabled these different groups to be together at the same time.

The deputation spokesperson also advised that the Pumphouse was a good teaching base. The deputation were asking that the council keep the core funding in place and the deputation would develop a 'Friends of Rotherhithe Pumphouse'. Mr De Koch indicated that there was already at least 100 people ready to become Friends.

The leader of the council advised the deputation that they could apply for Transition Fund money.

**RESOLVED:**

That the deputation meet with the cabinet member for equalities and community engagement.

**Community representatives – Cycling and Transport Plan**

The cabinet received a deputation from community representatives concerning cycling provision in the Transport Plan.

The deputation spokesperson Mr Donnachadh McCarthy highlighted concerns in respect of what appeared to be a departure from agreed policy. It was felt by the deputation that the plan needed wider consultation with interested groups in the borough. The deputation were seeking a deferment of the item to enable this to happen.

Mr McCarthy reported that the Southwark Cyclists had set up a sub-committee to look at the issue of cycling lanes and that Southwark Cyclist representatives would be attending the community council meetings.

**RESOLVED:**

That the comments of the deputation be noted. (see item 11 for further decision).

**8. REPORTING THE OUTCOME OF STATUTORY CONSULTATION ON THE PROPOSED AMALGAMATION OF THE ALMA AND ST JAMES CE PRIMARY SCHOOLS AND RECOMMENDING THE CLOSURE OF ALMA PRIMARY SCHOOL ON 31 AUGUST 2011 AND THE ENLARGEMENT OF ST JAMES CE PRIMARY SCHOOL FROM A 1 TO A 2FE PRIMARY SCHOOL FROM SEPTEMBER 1 2011**

**RESOLVED:**

1. That the proposals contained in the statutory notice which will effect the amalgamation of Alma Primary School and St James CE Primary School, by the closure of Alma Primary School on 31 August 2011 and the enlargement of St James CE Primary School from 1 September 2011 be agreed.
2. That authority be delegated to the head of property to agree terms for the disposal of an appropriate interest in the Alma school site in accordance with the provisions set out in the strategic director of communities, law and governance's concurrent.

**9. VOLUNTARY SECTOR DAY SERVICES AND LUNCH CLUBS AND COMMUNITY SUPPORT**

**RESOLVED:**

1. That the council contribution to voluntary sector open access day services/lunch clubs be reduced by ceasing block contracting arrangements and funding eligible individuals through personal budgets.
2. That officers work intensively to embed the personal budget model for users of these services with eligible care and support needs, as an alternative means of income for organisations, by end August 2011.
3. That an innovation fund be launched, where organisations can bid for funding to support transformation and the development of hubs and encourage future financial self-sustainability.
4. That agreement be given to the implementation of proposals to re-commission community support services for older people (information, advice, advocacy and befriending) from April 2012 by inviting bids against a revised service specification that supports the objectives of maintaining independence, health and wellbeing and effective personalised services.

**10. REVENUE OUTTURN REPORT 2010/11, INCLUDING TREASURY MANAGEMENT**

**RESOLVED:**

1. That the budget movements set out in Appendix A of the report be approved.

2. That the following be noted:

- The general fund outturn for 2010/11
- The release of £11.3m of reserves to support services and £1.7m for capital purposes
- The overall net reduction in reserves of £2.5m, prior to technical adjustments
- The favourable variance of £3.906m on the general fund which has been taken to the modernisation reserve
- The favourable variance of £2.361m on the schools budget which has been taken to the dedicated schools grant reserve
- The housing revenue account's (HRA) outturn for 2010/11 and movement on reserves
- The achievements of savings against the budgeted targets for the year
- The collection fund's year-end surplus balance
- The treasury management activity for the year.

## **11. THE TRANSPORT PLAN 2011-16**

### **RESOLVED:**

#### **Decisions of the Cabinet**

1. That the final Transport Plan, Appendix A of the report be adopted.
2. That the sustainable modes of travel strategy (SMoT), Appendix B of the report be adopted.
3. That the Transport Plan incorporating the requirements of Southwark's second local implementation plan be submitted to Transport for London (TfL) by 26 July 2011.
4. That the plan be reviewed in three months to take into account future representation from cyclist on cycling.

#### **Decision of the Leader of the Council**

5. That the authority of the cabinet member for transport, environment and recycling to amend the Transport Plan should Transport for London (TfL) require amendment of the plan be confirmed.

## **12. RESPONSE TO THE HOUSING AND COMMUNITY SAFETY SUB-COMMITTEE'S REVIEW OF UNFINISHED SECURITY WORKS ON FOUR SQUARES ESTATE**

### **RESOLVED:**

1. That the response to the recommendations of the housing and community safety scrutiny sub-committee's investigation into the unfinished security work on the Four Squares Estate be noted and agreed.

2. That the ongoing monitoring of the action plan and progress take place at the major works monitoring group chaired by the strategic director for housing services.

### **13. SOUTHWARK ANTISOCIAL BEHAVIOUR STRATEGY 2011-15**

#### **RESOLVED:**

1. That the draft Antisocial Behaviour (ASB) Strategy for Southwark 2011-2015, as set out in appendix 1 of the report be approved.
2. That the recommendations outlined in the strategy under the five key commitments be approved.
3. That the changing national landscape in relation to antisocial behaviour, particularly in relation to the current Home Office proposals outlined in their consultation, 'more effective responses to antisocial behaviour' be noted. The consultation aims to streamline the number of tools and powers available for practitioners and could radically impact the way we manage antisocial behaviour locally. The outcome of the consultation is not expected until late 2011 and any legislative changes are not expected until early 2013.

### **14. AMENDMENT TO STRATEGIC MANAGEMENT ARRANGEMENTS**

#### **RESOLVED:**

1. That the post of strategic director, regeneration and neighbourhoods, be deleted from the official establishment and the services transferred to deputy chief executive with immediate effect (except as in decision 2). Any consequential structure changes will be approved under chief officer delegated authority after consultation with the appropriate cabinet member.
2. That community housing services transfers to the strategic director of housing services including the head of service post (and post-holder), and that this be fully incorporated into the management structure for the housing services department.
3. That as at 1 October 2012, the new arrangements be put in place for the management of adult social care, the health and wellbeing board and public health.
4. That the chief executive takes an overview of senior manager structures including minor reallocations of functions between departments or chief officers in furtherance of council aims laid out in the budget report approved in February 2011.
5. That final structures be approved under chief officer delegated authority after consultation with the cabinet members.

**15. SOUTHWARK COUNCIL REPRESENTATION ON POTTERS FIELDS PARK MANAGEMENT TRUST**

The chief executive, having declared an interest in this item, left the meeting room during consideration of the report.

**RESOLVED:**

1. That the background to the Potters Fields Park Trust and the Council's representation on its Management Board be noted.
2. That the leader of the council and the chief executive be agreed as the two representatives of the Council to sit on the Potters Fields Park Trust Management Board.
3. That in future these appointments be included in the annual appointments to outside bodies report considered by cabinet.

**16. 42 SHARSTED STREET, SE17 - DISPOSAL OF FREEHOLD INTEREST**

**RESOLVED:**

1. That the head of property be authorised to dispose of the council's freehold interest in 42 Sharsted Street, SE17 (the "Property"), for a sum that equates to the best consideration that can reasonably be obtained.
2. That the capital receipt be earmarked for the purposes of funding the housing investment programme.

**17. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL FOR IT MANAGED SERVICES**

**RESOLVED:**

**Decisions of the Cabinet**

1. That the procurement strategy outlined in the report which utilises the buying solution framework, to procure an IT managed service (ITMS) in line with contract standing order 3.3.2, with an anticipated duration of four to a maximum of seven years be approved.
2. That it be noted that additional information has been received from the current contractor (Serco) and officers immediately undertake an analysis of this information.

**Decisions of the Leader of the Council**

3. That decision 2 above be noted and authority be delegated to the cabinet member for finance, resources and community safety to assess the additional information and, if appropriate, to agree an amendment to the procurement strategy.

**18. DISPOSAL OF 19 SPA ROAD, BERMONDSEY, SE16****RESOLVED:**

1. That agreement be given to the disposal of 19 Spa Road ('The Property') on the principal terms set out in the closed version of the report.
2. That the head of property be authorised to agree any variations to the terms that may be necessary to achieve the disposal in the light of further negotiations and securing full planning consent.
3. That in the unlikely event that this proposed disposal does not proceed to exchange, the head of property be authorised to agree the terms of a sale with any one of the under bidders set out in the report or any other third party, provided that these terms conform with the council's legal obligation to achieve the best consideration reasonably obtainable.

**19. SALE OF 15 HAMPTON STREET, LONDON SE1****RESOLVED:**

1. That agreement be given to the sale of the freehold interest in 15 Hampton Street London SE17 3AN ("the Property" the extent of which is shown in bold outline on the plan at Appendix 1 of the report) to Elephant and Castle Day Nursery Ltd on the principal terms set out in the closed report.
2. That delegated authority be given to the head of property to agree the detailed terms of the transfer.

**20. DISPOSAL OF 9 BLENHEIM GROVE, SE15****RESOLVED:**

That this item be referred to the Leader of the Council for decision.

**EXCLUSION OF PRESS AND PUBLIC****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.

**21. MINUTES**

The minutes of the closed section of the meeting held on 21 June 2011 were approved as a correct record and signed by the chair.

**22. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL FOR IT MANAGED SERVICES**

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

**23. DISPOSAL OF 19 SPA ROAD, BERMONDSEY, SE16**

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

**24. SALE OF 15 HAMPTON STREET, LONDON SE1**

The cabinet considered the closed information relating to this report. See item 19 for decision.

**25. DISPOSAL OF 9 BLENHEIM GROVE, SE15**

The cabinet referred this item to the leader of the council for decision.

The meeting ended at 6.53pm

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, 28 JULY 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><br>7.              | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                        | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | School Admissions Review – Covering Report               |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All                                                      |                                 |
| <b>From:</b>                       |                                | Education and Children's Services Scrutiny Sub-Committee |                                 |

### RECOMMENDATION

1. That the cabinet notes the recommendations of the review of School Admissions undertaken by the education and children's services scrutiny sub-committee (attached as appendix 1 to this report), and asks Councillor Catherine McDonald lead cabinet member, to bring back a report to cabinet, in order to respond to the overview and scrutiny committee, by 22 November 2011.

### BACKGROUND INFORMATION

2. The education and children's services scrutiny sub-committee decided to conduct a review into school admissions on 12 July 2010. The focus was on reviewing the clarity of information available alongside reviewing support networks to help parents negotiate the system.
3. The sub-committee chose this subject because of concerns about the complexity of the schools' admissions process. It was noted that even parents and carers with a lot of information could find the process difficult to navigate and stressful.
4. The committee took evidence from officers, consulted the School Admissions Forum, asked the Southwark Governors Association for their views, visited the Parent Participation Forum and distributed a questionnaire to parents and carers; 79 of whom responded. The results of this questionnaire are enclosed as appendix 2.

### BACKGROUND DOCUMENTS

| Background Papers                                                              | Held At                                                                      | Contact                                    |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------|
| Consultation with Parent Participation Forum (PPF)                             | Scrutiny Team<br>Tooley Street<br>London SE1 2QH                             | Julie Timbrell<br>Scrutiny project manager |
| Southwark Governors Association (SGA) submission and School governor interview | and published on<br>ModernGov for the<br>14 March 2011<br>committee meeting. | Tel: 020 7525 0514                         |
| Consultation with the School Admissions Forum                                  |                                                                              |                                            |

**APPENDICES**

| <b>No.</b> | <b>Title</b>                                     |
|------------|--------------------------------------------------|
| Appendix 1 | School Admissions Review                         |
| Appendix 2 | Secondary school admission questionnaire results |

**AUDIT TRAIL**

|                                                                         |                                            |                          |
|-------------------------------------------------------------------------|--------------------------------------------|--------------------------|
| <b>Lead Officer</b>                                                     | Shelley Burke, Head of Overview & Scrutiny |                          |
| <b>Report Author</b>                                                    | Julie Timbrell, Scrutiny Project Manager   |                          |
| <b>Version</b>                                                          | Final                                      |                          |
| <b>Dated</b>                                                            | 8 September 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                     | N/a                                        | N/a                      |
| Finance Director                                                        | N/a                                        | N/a                      |
| Chief Officers                                                          | N/a                                        | N/a                      |
| <b>Cabinet Member</b>                                                   | N/a                                        | N/a                      |
| <b>Date final report sent to Constitutional Team</b>                    | 8 September 2011                           |                          |

**Appendix 1**

**SCHOOL ADMISSIONS REVIEW**

Report of the Education and Children's Services  
Scrutiny Sub-committee

April 2011



| <b>Contents</b>                     | <b>Page</b> |
|-------------------------------------|-------------|
| <b>Introduction and background</b>  | <b>1</b>    |
| <b>Context</b>                      | <b>1</b>    |
| <b>Methodology</b>                  | <b>3</b>    |
| <b>Findings and recommendations</b> | <b>3</b>    |
| <b>Summary of recommendations</b>   | <b>7</b>    |
| <b>Appendices</b>                   | <b>9</b>    |

## **1. Introduction and background**

- 1.1 The Education and Children's Services Scrutiny Sub-Committee decided to conduct a review on school admissions on 12 July 2010. The focus was on reviewing the clarity of information available alongside reviewing support networks to help parents negotiate the system.
- 1.2 The sub-committee chose this subject because of concerns about the complexity and about the ease with which parents and carers were able to negotiate the schools' admissions process. It was noted that even parents and carers with a lot of information could find the process stressful. It was particularly important to ensure that parents had the right information and support to make the best choices for their children and to minimize the difficulties involved.
- 1.3 The review's focus was a result of the sub-committee's interest in evidence which indicated that supporting parents had a major positive impact on their children's wellbeing and educational attainment. In the last administrative year the previous sub-committee had produced a report on the importance of parental involvement in children's education. This concluded that there should be an emphasis on enabling parents to have the skills, knowledge and confidence to help their children. Alongside this the sub-committee looked at a volunteer programme which demonstrated success in addressing child protection issues by using mentors to support parents. Members also held concerns that there was insufficient support for parents with children with disabilities.
- 1.4 This review is therefore part one of two reviews looking at parenting support. The second review will look at volunteer and peer support, with particular attention paid to support available for parents and carers of disabled children.

## **2. Context**

- 2.1 School admissions are regulated through government legislation. The current School Admissions Code (the Code) came into force on 10 February 2010 and applies to admissions to all maintained schools. Academies are also required to adopt practices and arrangements that are in accordance with the Code and admissions law.
- 2.2 The Code sets out the regulations in place for management and implementation of school admission arrangements which includes:
  - i) Equity and fair access to school places and consultation
  - ii) Setting fair oversubscription criteria
  - iii) Coordination schemes for admission applications
  - iv) Referral of objections
  - v) Admissions forums
  - vi) Choice adviser service
  - vii) Support for parents and carers

- 2.3 Local authorities are responsible for coordinating and processing all primary, secondary and in-year admission applications to schools in their areas. Southwark processed 3725 primary and 4048 secondary applications for 2010/11 admissions and has received 292 in year applications from 1 September 2010 to date.
- 2.4 Parents and carers apply for places online or by completing a paper Common Application Form (CAF). Parents are able to apply for up to six schools of their preference; these must be listed in priority order. Many voluntary aided schools and some academies also require a supplementary information form to be completed which is used to rank all applicants in priority order against their published admissions criteria.
- 2.5 Local authorities have a duty to establish an Admissions Forum for their area with a membership that reflects the types of schools in the locality. The main focus of the Forum is to consider the fairness of admission arrangements in their local context. Southwark's Admissions Forum has the following ethos: *To consider and promote a fair and effective schools admission system which advances social equity and inclusion, serving the interests of local parents and children collectively.*
- 2.6 Local authorities are required to provide advice and assistance to all parents of children of all ages in their area to help them navigate the school admissions application process. This must be provided through an independent service that is focused on supporting the families who most need support. Southwark delivers this role through a School Preference Adviser (Choice Adviser), term time only as a member of the Parent Partnership Service which is also an independent service.
- 2.7 The School Preference Adviser supports parents through the process through: i) one to one and group meetings with parents at schools and community centres to explain admissions processes; ii) telephone and email requests; iii) explaining the admissions appeals process and accompanying parents to admission appeal hearings. Between September 2009 and July 2010, the following support was given to parents by the School Preference Adviser:

| Number of group meetings held | Number of parents seen | Number of phone calls taken | Number of appeals attended |
|-------------------------------|------------------------|-----------------------------|----------------------------|
| 38                            | 771                    | 106                         | 17                         |

- 2.7 The election of a new coalition government in May 2010 means that arrangements for school admissions are in flux and subject to imminent policy and legislative changes. In addition the loss of central government grants and the requirement to make significant savings may affect current provision of admissions support.
- 2.8 The Government set out in the White Paper, 'The Importance of Teaching', that in early 2011 it would, 'consult on a simplified and less prescriptive School Admissions Code'. The aim is to publish a revised Code by July 2011.

- 2.9 The Education Bill 2011, currently before parliament, removes the requirement on English Local Authorities to establish an admissions forum.
- 2.10 The Area Based Grant (£49,425) supporting the Preference Advisers was 'protected' from the significant in year budget cuts for 2011-12; however, funding beyond the end of this financial year remains uncertain. Southwark's Admission Forum is due to consider support options for parents and carers post August 2011

### **3. Methodology**

3.1 The methodology consisted of:

- Officer reports on School Admissions
- Sub-committee members sharing good practice
- Consultation with Parent Participation Forum (PPF)
- Southwark Governors Association (SGA) submission
- Consultation with the School Admissions Forum
- Questionnaire distributed to parents and carers making secondary school admissions ( Data from this will be available in the beginning of May)

### **4. Findings and recommendations**

#### **Information for parents and carers**

- 4.1 The council produces information for parents in two main ways - on the website and through two guides; one for starting primary and one for starting secondary school. These are printed as booklets.
- 4.2 Parents were positive about the information on the website. Most felt that the booklets were useful and the school information good. However there was feedback that the guide should be easier to navigate, as parents whose first language was not English found it difficult to use. It was felt that it might be helpful for there to be a short simple version for these parents and consideration should be given to translating a short, simplified guide. Parents with special needs wanted more information in the guide.
- 4.3 The parent participation forum wanted to give feedback on the guide and requested that next year's version come to them for comment.

#### Recommendations:

1. The guides to starting primary and secondary schools should be made easier to navigate.

2. There should be more information in the guides on special needs.
3. Consideration should be given to producing short simplified versions and/or versions in different languages to meet the needs of parents where English is not the first language.
4. Next year's draft guide for primary school children should be brought back to the Parent Participation Forum for feedback.

### **Communication with parents and carers about the admissions process**

- 4.4 Feedback from parents and officers was that the school preference advisor was very successful at reaching parents and carers to advise, support and assist them with the admissions process.
- 4.5 Parents, officers, teachers and governors all held the view that parents whose first language was not English, and who did not have good language skills, struggled the most in the admission process. Events at children's centres, school and nurseries were endorsed. It was suggested that these were expanded to all schools and centres and one be held at Tooley Street.
- 4.6 Outreach through links with predominantly BME communities and through specialised workers was endorsed.
- 4.7 Parents and carers recommended that children's centres and other providers used their databases to contact people and send reminders. These databases should be maintained and regularly updated.
- 4.8 Many parents are in contact with services through the use of nurseries, schools, children's centre and other providers. Some of these providers intensively targeted parents through advisory sessions, and speaking to parents as they picked up and dropped off their children. They ensured that all parents got a form and appropriate information and regularly reminded them. Kintore Way was held up as an example of good practice. This should be promoted.
- 4.9 Council officers already reach out to Private, Voluntary and Independent ["PVI"] early years managers. Parents and carers also noted that they use university nurseries and other early year provision so these providers should also be targeted.
- 4.10 It was pointed out that there are many parents and carers who might not be in regular in touch with services and these parents might be the ones that particularly struggle with the admissions process. Parents thought that health visitors 2½ year check would be a good time to alert parents to the nursery and primary admissions process. They also felt that more use should be made of databases that health and social services hold to do targeted mail outs.



- 4.11 The service already uses one stop shops and parents welcomed this and suggested that this is expanded so that information and training is also given to front line staff in libraries and community centres.

Recommendations:

5. Retain the school preference advisor for outreach and one to one support; particularly focus their work on the needs of parents whose first language is not English and parents of SEN children.
6. Hold open days at schools, the council's principle offices and in the community; particularly focus these on the needs of parents whose first language is not English, and parents of SEN children.
7. Contact university and hospital nurseries as well as Private, Voluntary and Independent ["PVI"] early years managers.
8. Train workers and keep booklets on the admissions process at settings such as libraries, one stop shops and community centres.
9. Use networks and contact details more smartly to distribute information and send reminders (health visitors, children centres, nurseries). Ensure they have sufficient information and CAF forums.
10. Use face to face contact – health visitor 2 ½ year check ups with parents, parent mentors at the Parent Participation Forum, nursery school attendance.

**Choosing a place and taking a test.**

- 4.12 Parents found visiting lots of schools on the same day stressful. Disabled parents and children, for example wheelchair users, found access difficult to negotiate during these busy times.
- 4.13 Parents and children found the amount of tests for secondary schools very stressful and unnecessary. They wanted one common test for all the schools so that a child would only need to take one test. Officers have advised the committee that they have been seeking to negotiate one common test for all Southwark schools, and there has been some progress. All the local secondary schools, apart from the Harris academies, will use one test next year. Harris academies will use one test for all their local schools. This will reduce testing for Southwark schools to two tests, however the best local outcome would be one test for all Southwark schools. The ideal outcome would be the same test for all London schools as some Southwark children will apply out of the Borough.

Recommendations:

11. Cabinet do everything within its power to introduce a common test for secondary school entry where this is required by schools.
12. Draw up an open day schedule for parents of children with SEN.

**Making an application by completing the CAF or using the online form**

- 4.14 Parents gave very positive feedback on the CAF and online form, if they had a straightforward application; they liked the simplicity and the receipt received. A parent/carer with two children (not twins) noted a problem, as she received an offer for only one of the children. Other parents who made late applications had a few problems.

Recommendations:

13. Ensure that carers and parents with more than one child in the same academic year (who are not multiple births) can make a successful application.

**Receiving an offer**

- 4.15 Offer day is a very stressful time and it was suggested that more information and support is given at this time. Parents need more information on waiting lists, for example that their child's place in the queue can go up and down. Sometimes parents and carers hear nothing for some time and this can create anxiety. Parents would like more accessible real-time information on school availability, local waiting lists lengths and their child's place.
- 4.16 Currently parents are asked two or three times to accept a school place. Once via the online process, once by the school, and once by the local authority. They have to accept both the school and the local authority place and it is not clear what the purpose of the eform acceptance is. This is confusing.

Recommendations:

14. Simplify the process so that parents and carers do not have to accept and respond to both the local authority and school to successfully accept or decline a place. Disable the automatic eform acceptance unless it is functional.

15. Offer more support around offer day and including additional information explaining waiting lists and managing places.
16. Before the date when allocations are announced, a briefing note be circulated to all members giving information about the process.

### **Supporting parents**

- 4.17 Offer time is a busy period for officers and a stressful time for parents. Officers would like to be able to meet parents at Tooley Street as this would be much more efficient than booking slots in one stop shops etc. It would also mean that officers are more accessible to parents.

#### Recommendations:

17. Make meeting space available in the council's principle offices, in addition to one-stop shops, for staff to take appointments with parents.

### **Local coordination and the admissions forum**

- 4.18 The education bill currently before parliament will mean that having an admissions forum is a local choice. The admissions forum believe that this body enables a more coordinated and robust process across the local authority and advances social equity and inclusion.

#### Recommendations:

18. Retain the Admissions Forum.

## **5. Summary of recommendations**

1. The guides to starting primary and secondary schools should be made easier to navigate.
2. There should be more information in the guides on special needs.
3. Consideration should be given to producing short simplified versions and/or versions in different languages to meet the needs of parents where English is not the first language.

4. Next year's draft guide for primary school children should be brought back to the Parent Participation Forum for feedback.
5. Retain the school preference advisor for outreach and one to one support; particularly focus their work on the needs of parents whose first language is not English and parents of SEN children.
6. Hold open days at schools, the council's principle offices and in the community; particularly focus these on the needs of parents whose first language is not English , and parents of SEN children.
7. Contact university and hospital nurseries as well as Private, Voluntary and Independent ["PVI"] early years managers.
8. Train workers and keep booklets on the admissions process at settings such as libraries , one stop shops and community centres.
9. Use networks and contact details more smartly to distribute information and send reminders (health visitors, children centres, nurseries). Ensure they have sufficient information and CAF forums.
10. Use face to face contact – health visitor 2 ½ year check ups with parents, parent mentors at the Parent Participation Forum, nursery school attendance.
11. Cabinet do everything within its power to introduce a common test for secondary school entry where this is required by schools.
12. Draw up an open day schedule for parents of children with SEN.
13. Ensure that carers and parents with more than one child in the same academic year (who are not multiple births) can make a successful application.
14. Simplify the process so that parents and carers do not have to accept and respond to both the local authority and school to successfully accept or decline a place. Disable the automatic eform acceptance unless it is functional.
15. Offer more support around offer day and including additional information explaining waiting lists and managing places.
16. Before the date when allocations are announced, a briefing note be circulated to all members giving information about the process.
17. Make meeting space available in the council's principle offices, in addition to one-stop shops, for staff to take appointments with parents.
18. Retain the Admissions Forum.

## Appendices

1. Secondary school admission questionnaire results (enclosed)
2. Consultation with Parent Participation Forum (PPF)
3. Southwark Governors Association (SGA) submission and School governor interview
4. Consultation with the School Admissions Forum

Appendix 1 is available on the Southwark website and published for the 28 June 2011 committee meeting:

<http://moderngov.southwarksites.com/ieListDocuments.aspx?CIId=303&MIId=4069&Ver=4>

Appendices 2,3 & 4 are available on the Southwark website and published for the 14 March 2011 committee meeting :

<http://lbsth-dtr01/ieListDocuments.aspx?CIId=303&MIId=3563&Ver=4>

## **Members of Education and Children's Services Scrutiny Sub-Committee who contributed to this review:**

Councillor David Hubber (Chair)  
 Councillor the Right Revd Emmanuel Oyewole (Vice-chair)  
 Councillor Lorraine Lauder MBE  
 Councillor Adele Morris  
 Councillor Rosie Shimell  
 Councillor Althea Smith  
 Councillor Cleo Soanes

Education representatives:

Sharon Donno  
 Colin McKenzie Elliot  
 Leticia Ojeda  
 Reverend Nicholas Elder

## References

- 1 School Admissions Codes and Regulations:  
<http://www.education.gov.uk/schools/adminandfinance/schooladmissions/a00195/school-admissions-codes-and-regulations>
- 2 Education Bill 2011  
 A Summary of the Government Bill, Ref. Bill 137, February 2011 Document Summary Service



## **Secondary schools admissions questionnaire results May 2011**

Survey of information and support for parents and carers

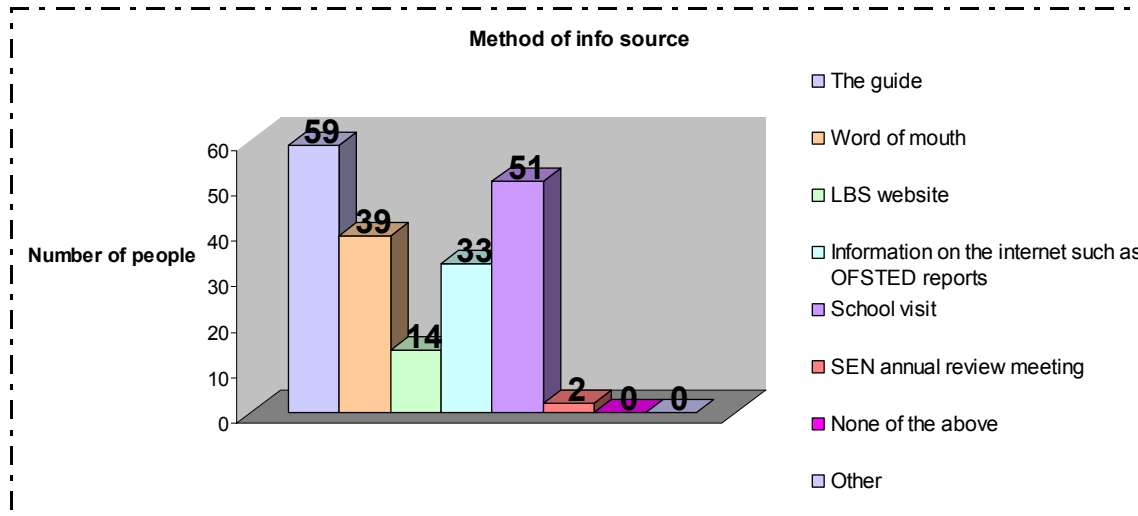
[www.southwark.gov.uk](http://www.southwark.gov.uk)

Southwark Education and Children's Services scrutiny committee surveyed parents and carers of children applying for a Southwark secondary school place in April and May 2011. The questionnaire was conducted to gather evidence for a review of schools admissions, looking particularly at support for parents and carers. The survey focused on the information available, support networks to help parents and carers negotiate the system, how they found the application process and communication received once an offer of a school place was made.

Questionnaires were circulated to parents and carers via schools, through parent networks and promoted on Southwark Council's website and facebook site. Potential respondents had the option of completing a paper, online or electronic version. 79 parents and carers filled out of a questionnaire; 42 completed one online, 32 posted back a paper copy and 5 returned a copy via email.

Section one asked parents and carers if they had the right information to help them choose the right secondary school for their child/ren and make an application.

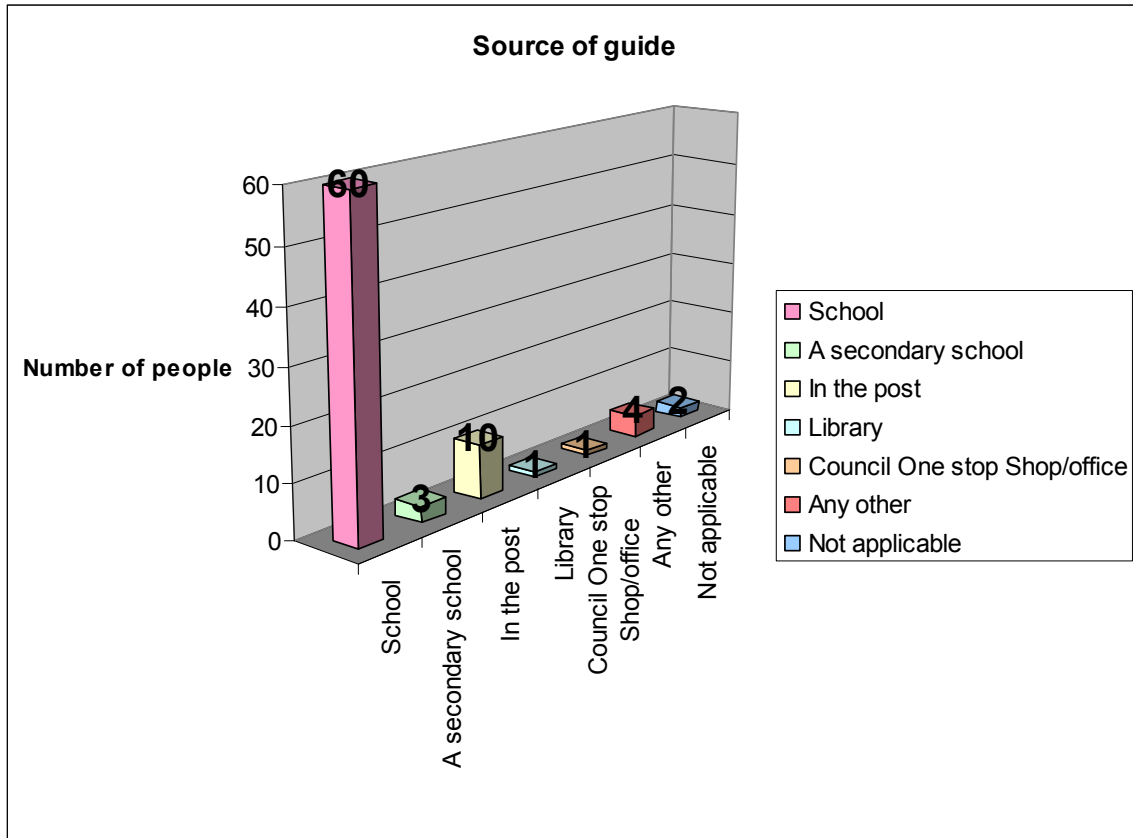
### How did you choose a school for your child/ren?



| Other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Just because my old son was on the same Federation (Harris) on the boys one, so I choose Girls one for my daughter, and both are close to my home.                                                                                                                                                                                                                                                                                                                                                                                             |
| I was interested in speech and language schools outside of Southwark (there are none in borough) and contacted the Parent Partnership who did not have any information and advised me to contact individual boroughs, they also said it was unlikely I would get the place funded. I found this comment unhelpful (and not impartial). I eventually contacted AFASIC a national charity which was able to give me advice, but felt the Parent Partnership should have at least been able to sign post me to relevant specialist organisations. |
| Considering that each school has its own admissions policy - distance, religious, lottery and banding system- the system is confusing and not at all about choice                                                                                                                                                                                                                                                                                                                                                                              |
| Distance from home                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| School's reputation and proximity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Very few schools to put down that you stand any chance of getting in to                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Endorsement by other parents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Distance from home.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| School sent a typed list of schools, but as many of these had feeder schools that did not include our primary school, this was of limited help!                                                                                                                                                                                                                                                                                                                                                                                                |
| Previous experience with schools in the area and proximity to home residence                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Speaking with pupils informally                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Parent partnership recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

I did most of the list - form is a little unclear.

**If you used the 'Guide to starting secondary school' please tell us how you got a copy**



Respondents were asked to rate the 'Guide to starting secondary school' and make comments

**If you used the booklet, please tell us how useful you found the information on schools and how to make an application ?**

1 to 10 (where 10 is very satisfied and 1 very unsatisfied)

|                        |            |
|------------------------|------------|
| <b>Overall average</b> | <b>7.2</b> |
|------------------------|------------|



### How easy was it to use the booklet and how good was the layout?

1 to 10 (where 10 is very satisfied and 1 very unsatisfied)

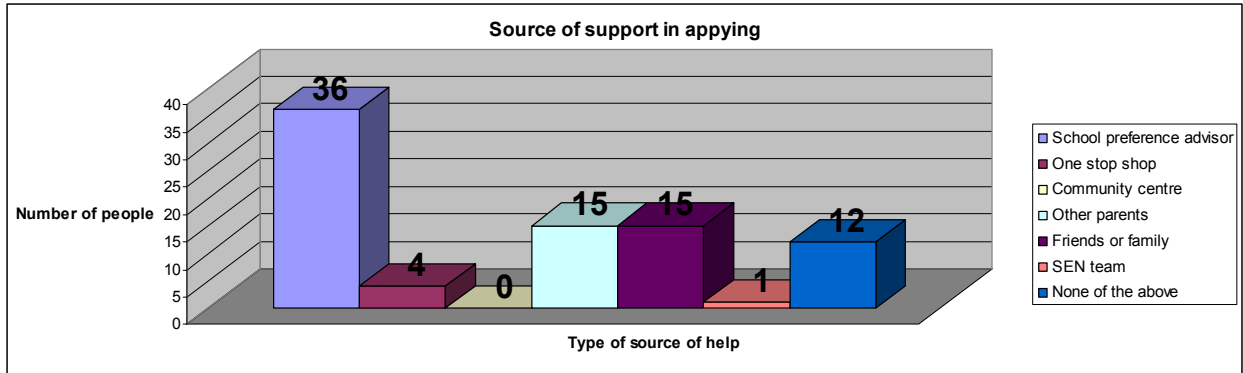
|                        |            |
|------------------------|------------|
| <b>Overall average</b> | <b>7.2</b> |
|------------------------|------------|

| <b>Do you have any comments about the information available to choose a school and make an application? What worked well? What could be improved?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The dates don't match....The last day to submit the applications was the 31 <sup>st</sup> of October/2010....and the last Open Day at Harris Girls East Dulwich was on the first week of November/2010...I attended that day, and then my daughter realized that she didn't like this school....but...too late!!!...I sent the list with this school as first choice and obviously, Southwark Council gave her a place on it; and then she thought it wasn't the school that she would like to study in. What you can improve is that the application list must be sent AFTER the Open Days have finished. Thanks.                                                                                                                                                                                                                                                                                                                                   |
| By visiting the school you get the feel for the school.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Did not like the idea of being forced into a local school and then being refused.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| The Lewisham booklet provides more information, which would be useful, such as on appeals.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| As indicated my daughter has special needs and apart from the SENCO at her current school, I felt completely on my own in looking for schools. I was amazed to find there is no central register of special schools, and if the borough does not have a place for your child, there is nowhere to get any help or advice from. I found my daughters school by randomly searching on the internet and talking to other parents.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| It should be made clearer - banding and distance - what each schools policy is                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Southwark should ensure that all secondary schools are equal in standard and that they all operate the same entrance criteria.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| More information about the curriculum offer would be good - e.g. which languages are offered                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| I believe the 'phrase catchment area' is not always the case. The criteria used in some of the schools are ambiguous and eliminate certain children even from the beginning.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| All choices for secondary school are a leap of faith. You only know what you get after your child has started school. Thankfully St Michaels College is an excellent school as can be testified by the recent excellent Ofsted Report and Rating.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| There seemed to be an all care no responsibility approach to the admissions process and whilst the staff were friendly and courteous there was almost no feedback about where our case was in the admissions system and when Southwark Education services were contacted daily to request an update at no time were our calls returned. Even when escalated to the Manager of In Year Admissions he also seemed powerless to help to the extent that our son has now been out of school in his critical GCSE years for over 3 months! There seems to be a total breakdown between the Schools and Southwark council with nobody really wanting to take responsibility with each party blaming the other as to why the admissions process is not moving forward. Furthermore at no time have we had any contact to ensure at the very least our son was given home school support to ensure he was able to keep up with the GCSE curriculum whilst we |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| waited on a school placement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| as we live on border of Lambeth also used their booklet and all information available on same page about each school. Southwark should follow this format.                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| It's not that helpful in making decisions - visiting schools themselves is far more worthwhile. Having been through this before I have always thought that Lewisham's brochure contains much better information about admissions criteria, how these were applied in previous years and success (or otherwise) of appeals - and this year was no exception.                                                                                                                                                                                                                                      |
| It was helpful to receive the booklet through school and having something physical was helpful as a starting point. Being fairly internet savvy, I would not like to have relied on the web as my starting point. Consistency of information across schools could have been improved but I suppose this is reliant on information provided by schools. Realistic information (statistical) as to whether, particularly church schools or catchment based area schools are worth bothering with would be good. A lists of viable schools and some info outside Southwark could have been helpful. |
| More transparency.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| It is difficult to choose a new school as there is no ofsted information the main focus is the school and how they are selling themselves. Information in booklet is vague, parents really need to check ofsted reports and view the schools themselves.                                                                                                                                                                                                                                                                                                                                         |
| was satisfied with the website and booklet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Not at all                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| just told bare facts regarding school would like to see more on results ethos etc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| I did not use the Southwark guide as I am a Croydon resident.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Didn't use it                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| The Lewisham booklet had a additional section on application rates/distances etc which was very helpful. The Lewisham booklet was better overall.                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| The fact that all schools have different criteria make the system extremely complicated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| I think this was the first time I found it all straight forward than last years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| The Guide to Starting Secondary School contained various errors and some contradictions which were not helpful. I think it would be helpful if the Guide was available earlier in the year - it's an awful lot of information to take in a short period of time if parents and carers only have access to it at the beginning of the autumn term. Year 5 families should go home with a copy at the end of the summer term so that there's plenty of time to familiarise themselves with the complexities of the system.                                                                         |
| By reading the book made me look at other schools I hadn't though of looking at.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| No comments at all . The guide direct us perfectly.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

**Section two asked respondents to tell us if they had enough support to select a school and make an application.**

**Where did you get help and advice on how to fill in the application form?**



| Other                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I did not need any help, although the school offered to help                                                                                                                                                                                                                                                                                                                                                                   |
| guide to starting secondary school                                                                                                                                                                                                                                                                                                                                                                                             |
| We feel we had sufficient support and any questions were answered by our children's primary school staff                                                                                                                                                                                                                                                                                                                       |
| From head teachers on my daughter's Primary School                                                                                                                                                                                                                                                                                                                                                                             |
| I didn't need help on how to fill in form.                                                                                                                                                                                                                                                                                                                                                                                     |
| School                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Did not receive any help or advice.                                                                                                                                                                                                                                                                                                                                                                                            |
| As indicated my daughter has special needs and apart from the SENCO at her current school, I felt completely on my own in looking for schools. I was amazed to find there is no central register of special schools, and if the borough does not have a place for your child, there is nowhere to get any help or advice from. I found my daughters school by randomly searching on the internet and talking to other parents. |
| It should be made clearer - banding and distance - what each schools policy is                                                                                                                                                                                                                                                                                                                                                 |
| Didn't receive any support                                                                                                                                                                                                                                                                                                                                                                                                     |
| I filled it in myself                                                                                                                                                                                                                                                                                                                                                                                                          |
| We didn't need help, though the school held a secondary transfer parents evening which we attended.                                                                                                                                                                                                                                                                                                                            |
| Guide to starting secondary school.                                                                                                                                                                                                                                                                                                                                                                                            |
| From the head teacher at Dog Kennel Hill.                                                                                                                                                                                                                                                                                                                                                                                      |
| Did it on my own - internet research.                                                                                                                                                                                                                                                                                                                                                                                          |
| The drop in shop was completely unfamiliar with most of the schools.                                                                                                                                                                                                                                                                                                                                                           |
| Child school                                                                                                                                                                                                                                                                                                                                                                                                                   |
| No help needed. Filled in the forms then passed on to child's primary school.                                                                                                                                                                                                                                                                                                                                                  |

## How satisfied were you with the support you received to select a school and make an application?

1 to 10 (where 10 is very satisfied and 1 very unsatisfied)

**Overall  
average**

**6.5**

| <b>Do you have any other comments about the support you received? What worked well? What could be improved?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I did not receive any specific support from my daughter's current school, apart from them being very relaxed about me taking her to the various Open Days; to view prospective secondary schools. I think this is an area which could be improved as I was hearing a lot of conflicting stories/rumours about certain schools in Southwark from other parents. It is often difficult to be open about the school you eventually choose for your child, if other parents don't like your choice of school. It may have helped to make the whole process a little easier, if my daughter's current school had offered a 'Schools Preference Advisor'. |
| The support was adequate but ultimately futile , given the outcome of our application                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| As a newcomer in the UK –only 2 years- I didn't know about differences between concepts, such as "Academy" or a school like City of London. I never imagined how important it is to be aware of that....Nobody spoke to me about it. I learned it, after I sent the application form, and completed the whole process. Definitely, my first choice would've been very different. What could improve is: Head Teachers know the potential that each pupil has...They could suggest which school could be more convenient for each one...Parents take the decision, but after they have taken good advice. Thanks.                                    |
| The meeting held at the school by which the school preference advisor was very unsatisfactory. Information was anecdotal and confusing. School information was poor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Having information from other boroughs at hand who have been helpful.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| My problems did not arise choosing a school. They arose when I was not given a place at the one I had chosen.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| The school preference advisor did not turn up at the primary school for her appointment, therefore I was unable to ask questions about the process and instead myself and other parents had to rely on the Head Teacher and other parents to address the questions and concerns we had about the school selection and admissions process.                                                                                                                                                                                                                                                                                                           |
| The SENCO at my daughters junior school was outstanding. Other than this I had no support from anyone in an official capacity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| it should be made clearer - banding and distance - what each schools policy is                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| All support should be aimed at ensuring that all Southwark secondary schools are equal in standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Online system is very good. It sent me automatic emails to ensure I completed the application within the deadline                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Having a universal application procedure for all London helps the administrative process of applying but the different admissions policies and procedures used by individual schools are very unhelpful when, as a parent, you have to take into account many other important factors such as proximity to home, mixed or single sex, school specialism etc.                                                                                     |
| I find the criteria for some of the schools ambiguous                                                                                                                                                                                                                                                                                                                                                                                            |
| The advisor was helpful in outlining the process and being realistic about timescales and expectations. It was helpful also to meet the advisor at school with other parents and hear questions and answers together as a group.                                                                                                                                                                                                                 |
| I only needed help when my son didn't get into any of the schools of my choice                                                                                                                                                                                                                                                                                                                                                                   |
| Didn't receive any support                                                                                                                                                                                                                                                                                                                                                                                                                       |
| I received practical support from my son's school Headmistress                                                                                                                                                                                                                                                                                                                                                                                   |
| Had we been able to find a place for our son straight away we would not class him as a child with special needs but as he has now missed 5 months of school he now falls into this category as he will require extra tuition in order to catch up with the GCSE curriculum. There seems to be no system other! than from Children Service to address this need and this only kicks in 3 months after the initial application has been processed. |
| school support was good but process seems to have 'hidden' rules for example if you do not list a school as 1st choice you will not be offered a place. This should kind of selection process should be told to parents.                                                                                                                                                                                                                         |
| The Headmaster at my daughter's school held several meetings with parents to explain the process, timings and offer advice and help if required. This was extremely useful. I would highly recommend that all schools should do this.                                                                                                                                                                                                            |
| The CAF / Southwark online was fine. It would be good to enforce a consistency across schools for deadlines, postal dates extra forms etc.                                                                                                                                                                                                                                                                                                       |
| It is difficult to choose a new school as there is no ofsted information the main focus is the school and how they are selling themselves. Information in booklet is vague, parents really need to check ofsted reports and view the schools themselves.                                                                                                                                                                                         |
| Like there is a wide range of support for filling out the application, so I'm satisfied.                                                                                                                                                                                                                                                                                                                                                         |
| No                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| I took the guide from school and was also advised me to choose these two schools to make my first choice                                                                                                                                                                                                                                                                                                                                         |
| The lady at parent partnership was very helpful yet despite my child being on school action plus and under treatment at Sunshine House I was not aware of the help available until late in the application process                                                                                                                                                                                                                               |
| Didn't receive any support                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Didn't receive any support                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Some secondary schools were not very good at communicating the ***** schools, + there was conflicting information. The school preference admin and lead teachers need to united together to provide disinterested information + advice and avoid confusion.                                                                                                                                                                                      |
| The advice given was confusing and contradictory. I had to clarify information with individual schools. The council officer, although sympathetic, was too prone to lapse into anecdotes and subjective opinions rather than convey facts. An improvement could be made if the council officer knew the facts of all aspects of the application process and the different criteria of the schools in the borough and boroughs adjacent.          |
| Hollydale Primary School held an information evening for parents and children. I found it extremely informative and helpful. Thanks Mrs Thompson.                                                                                                                                                                                                                                                                                                |
| Primary school was not much help, they had an open evening whereby someone from Southwark education was meant to come but phoned up 10 minutes before and cancelled.                                                                                                                                                                                                                                                                             |

It was very unclear whether schools knew where you put them on the list. Some schools even asked the children.

Support is one thing, pressure if your child gets their first choice, I was very lucky. Pressure on parents and children, at the point of letters going out. And now the internet, every body should be informed at the same time.

I consulted the school preference advisor and although she was as helpful as she could be, her information was not 100% correct. She was clearly over-stretched and that fact that even she had trouble keeping on top of all the information suggests its an almost impossible task.

**Section three asked respondents how they found the school application process - either online or by filling in a paper common application form (CAF) or the school preference form ( used for children with special education needs).**

**Did you fill in an?**

|                                                                   |    |
|-------------------------------------------------------------------|----|
| Online application                                                | 44 |
| Paper application                                                 | 27 |
| School preference form (for a child with special education needs) | 7  |

**Did you get an acknowledgement email or text if you did an online version?**

|     |    |
|-----|----|
| Yes | 50 |
| No  | 4  |

**Or a letter confirming your application had been received if you completed the paper CAF form and included a stamped address envelope?**

|                |    |
|----------------|----|
| Yes            | 20 |
| No             | 5  |
| Not applicable | 10 |

**How satisfied were you with the application form process?**

1 to 10 (where 10 is very satisfied and 1 very unsatisfied)

|                        |          |
|------------------------|----------|
| <b>Overall average</b> | <b>7</b> |
|------------------------|----------|

| <b>Do you have any comments about the application form process? What worked well? What could be improved?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The process of applying online seemed to work reasonably well for us.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| I am happy with the Guide to Starting Secondary School. To be improved, as I mentioned before:1.- Adjust the deadline with the end of Open Days.2.- Head Teachers must to be involved in the support provided to parents and make a good advice to choose the type of secondary, according each child's potential.3.- I propose to make only 1 test....the one of first choice only.                                                                                                                                                                                                                                                                                         |
| At least one of the choices should've been offered that would be an improvement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| I found the SEN application process, completely opaque. I did not know how and who made any of the decisions. It was extremely unsatisfactory and made me very anxious. I did not feel I was working in partnership with the SEN team but felt as if they were trying to catch me out. It was also impossible to speak to anyone with any power or influence, I would have liked to discuss the options openly but this was not possible. There were also delays in replying to emails, a week or two may not seem a long time to wait for an officer but for a parent the delay can be agony. The process felt like playing a game but not being allowed to know the rules. |
| All the comments should revolve around placing local children in local schools. Everything should be done to ensure that local schools are of equal standard.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| I accepted my child's place 3 times - to the e-admissions system, to Southwark and to the school. That was confusing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Having an online form with a text/email acknowledgement took some of the stress out of the process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| It seemed a bit cumbersome waiting for passwords and ref numbers before I could access the form.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| We applied for a scholarship for our daughter at Kingsdale School and were not informed about the result of this at the same time as the other parents - they were able to put their preferences down based on information I didn't yet have. This is an uneven playing field and unfair. I contacted Kingsdale school by email (several), phone and letter and was still unable to get a reply. I felt that particular school handled the process badly and with little regard or respect for parents.                                                                                                                                                                      |
| I found the online application process to be extremely efficient and straightforward                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Had we been able to find a place for our son straight away we would not class him as a child with special needs but as he has now missed 5 months of school he now falls into this category as he will require extra tuition in order to catch up with the GCSE curriculum. There seems to be no system other! than from Children Service to address this need and this only kicks in 3 months after the initial application has been processed.                                                                                                                                                                                                                             |
| My daughter's school collected in all of the application forms from parents, checked they were properly completed and then hand delivered them to Southwark and got a receipt for them. This took away any worries of forms being lost in the post and was much appreciated.                                                                                                                                                                                                                                                                                                                                                                                                 |
| I am utterly disillusioned by the entire charade, which I experienced 5 years ago with my daughter in Southwark (and who eventually was offered a place by a Lewisham School)and which I have just experienced again with my son. Admission criteria continue to be opaque in critical areas (in our case this criticism applies both to Kingsdale and Charter), communication with Admissions is perfunctory at best, dismissive at worst. For people who are looking for a mixed non denominational school in the borough the 'choices' available are                                                                                                                      |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>very narrow (and in our case have proved to be entirely unachievable). I think Kingsdale's admission criteria are particularly open to criticism - and make no concession to borough children despite the dearth of non denominational mixed schools in the borough. Charter's are the complete opposite, but are compromised by the continuing obduracy of Southwark in refusing to describe and, more to the point, justify, their definition of a 'safe walking route' to the school. I realise that Southwark will have increasingly little to do with these sorts of things as the government's policies towards schools and education develop, but I have been hugely disappointed in! the role Southwark's officers have played in the case of both my son and daughter, distressing both immensely - and so that this does not happen to my youngest daughter we are intending to leave the borough - which, despite the gloss on the website, was the third worst in the country when it came to secondary admissions this year. For us the way this is administered is one of the most important functions the council performs, and we feel we have been comprehensively let down, not once but twice.</p> |
| <p>We should, as taxpayers, be entitled to apply - at least be judged fairly - for all state schools in Southwark and not be automatically excluded from a range of schools because of faith / no faith. Having a minefield of criteria to sift through with every school was frustrating and time wasting. Being allocated a 4th choice school does not make me particularly thrilled. Interestingly this was also our 4th choice school for her siblings too. She got in here despite the ! no sibling policy but meant we had to look at every school as once again we had no certainty. The local authorities part and schools communication, so far as I can see, was carried out satisfactorily.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>There is no transparency at all on how a child allocated a school.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>As I mentioned previously my son got his second choice school. I was informed that I could appeal against the decision not to have his first choice, but I thought what's the point! At the end of the day he got his 'choice'. But really parents have no choice the choice is in the hands of the local education authority and the school.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>To me everything was fine.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>Satisfied.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>Yes, but the schools with higher preferences was not given.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>I initially thought being able to complete and submit the form online would be efficient but this was not the case as the system crashed the day we were due to find out which school our son was allocated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>It was clear and easy to follow with an immediate acknowledgement e-mail.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>The process was quite simple and straight forward.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>Took too long for confirmation of application.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>No, it was all how it should be.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>The actual on-line application process was straightforward and seemed efficient enough - it's understanding all the different admissions criteria that's difficult.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |



**Section four asked respondents about the communication they received offering their child a school place.**

**Did you get an offer of a school you had applied for?**

|                                                      |    |
|------------------------------------------------------|----|
| Yes, one of the schools I expressed a preference for | 59 |
| No, but I received an offer of a local school        | 11 |
| I am still waiting for an offer                      | 0  |
| None of the above ( please explain below)            | 6  |

| Other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| We listed 6 schools on our list based on preference, history (ie schools to which children from our primary school have gone to in past years); distance and those for whom we had a reasonable chance of gaining a place given the academic/musical nature of our child. We received an offer for a school which was wholly unsuitable. It is close to us and so had it been a realistic option, we would have listed it on our form. As it was unsuitable we did not list it. Subsequent visits to the school have not changed our view. We are now having to go through the process of appealing; chasing waiting list places and in the worse case scenario, sending our child to a private school which we can ill-afford and do not really wish to do. The alternative is home education. |
| All schools in Southwark was refused and we live in Southwark.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Was not offered a place for any schools I had applied for and was offered a religious school which was not local                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| But I had to wait three weeks for a decision, when the SEN team had had all the information about our choice of school, had not offered any other school and had exceeded the deadline when offers should be made.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| That question doesn't make sense - what do you mean? Why would a school we had applied for offer another local school?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| I don't really understand the question. We were offered a place at the school which was 3rd on our list of preferences.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| I checked it on-line first which was useful since I was working abroad that week.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| I did email the local authority of accepting the place of offer, but I never got a reply! Even though I got a reply of acknowledge of the email, I didn't get a reply of acceptance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Yes, but the last choice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| I did not initially receive an offer from any school we had expressed a preference for. We were offered a school not on our list and nowhere near where we lived - our son would have had a three hour round trip but as the school was in our LA area they thought it an acceptable offer. A Southwark school that had been on our original list offered us a place verbally and by email but we never received any communication from either Southwark or Croydon.                                                                                                                                                                                                                                                                                                                            |
| I was offered a place in a school almost 3 miles away and it was an all boys school also a church school. The schools I put on my application were all mixed schools non religion and not 3 miles away I think if your not offered one of your choices they should offer u something nearest one of ur choices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

**How satisfied were you with the communication from the local authority after you received the 'school offer letter' ? For example how satisfied were you with the letter and information you received, telephone calls and any follow up meetings with officers.** 1 to 10 (where 10 is very satisfied and 1 very unsatisfied)

|                        |            |
|------------------------|------------|
| <b>Overall average</b> | <b>6.5</b> |
|------------------------|------------|

**How satisfied were you with the communication you received from the school about a place for your child/ren?** 1 to 10 (where 10 is very satisfied and 1 very unsatisfied)

|                        |            |
|------------------------|------------|
| <b>Overall average</b> | <b>7.1</b> |
|------------------------|------------|

| <b>Do you have any comments about the allocation of school places and how well you were communicated with by either the local authority or school? What worked well? What could be improved?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| We used to live in the Borough of Lambeth and I can recall being offered a place in more than one school of our choice for our eldest daughter who is now 19 years of age. It appears that in the Borough of Southwark, Parents will only be offered a place for their child, based on their 1 <sup>st</sup> Preference. This I feel, makes choosing much more difficult because there may be slight differences between your 1 <sup>st</sup> and 2 <sup>nd</sup> Preferences.                                                                                                                                                                                                                                                                                                                                                                                        |
| The school applications process has utterly failed us as a family and our son. The system is neither transparent nor understandable. We do not understand whose needs it serves as it most certainly does not serve the needs of the child. The system appears totally random and based entirely on luck. From our experience, we would suggest that looking around schools and listening to endless speeches about how important this decision is for families, has been a complete waste of time. We feel that reading the literature, visiting the schools and filling in the form has been an exercise in time wasting and the allocations system is a waste of public funds. The outcome for us has been the same as if we had not filled the form in at all. We have yet to receive letters from some of the schools outlining why we were not offered a place. |
| Liam White at Cator Street (Children's Centre) was very helpful in my daughter getting a school outside Southwark, after being refused all my named schools.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| My son was NOT offered a place by any of the schools we applied for. He was offered a place at a Roman Catholic School miles away from where we live - even if this school had had a good OFSTED (which it didn't) he would not have taken this offer up. Everything worked well up to the most important stage of the whole process - allocation of school places - and then it turned into a complete shambles.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| I was extremely frustrated by the call centre - taking my call and promising me someone would call me back - no one ever did. Online inquiries were equally unsuccessful.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>It took four weeks of emails, phone calls and complaints before I received the information concerning the waiting list I had requested from Southwark's admissions team. Appalling service from Southwark in respect of communication and a total sham trying to communicate with one of the schools, (Kingsdale) which offered at least three different excuses for not having information available. The mere fact that neither Southwark nor Kingsdale would forward the information required could almost suggest that the admissions system has been manipulated and construed to suit the desired outcome of the school and not correctly or fairly administered</p> |
| <p>Southwark council admissions team gave me no information - I had to contact the schools directly (after a stressful wait) Lewisham council knew their stuff and were incredibly professional in comparison to s/wark - I knew within a day or two of our place in the waiting list from either the Lewisham council or the Lewisham schools directly - s/wark were USELESS</p>                                                                                                                                                                                                                                                                                             |
| <p>Whole thing is a sham. You have no choice of good coed schools in the area.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>See comment above.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>When u phone the education its a helpline who can't help. they send an email to the allocation.I phoned the education on the 3rd of may and still waiting and its now the12th of may. they don't look at your preference before they offer u a school. the school they offered me I don't even meet the criteria so what's the point of having a criteria</p>                                                                                                                                                                                                                                                                                                              |
| <p>We applied for a scholarship for our daughter at Kingsdale School and were not informed about the result of this at the same time as the other parents - they were able to put their preferences down based on information I didn't yet have. This is an uneven playing field and unfair. I contacted Kingsdale school by email (several), phone and letter and was still unable to get a reply. I felt that particular school handled the process badly and with little regard or respect for parents.</p>                                                                                                                                                                |
| <p>I was initially offered one place and then two month's later received an offer via Southwark for a higher preference school. This was well communicated to me but I later discovered (in July) that Southwark admissions had failed to inform the original school that my daughter was no longer going to be attending which caused some embarrassment.</p>                                                                                                                                                                                                                                                                                                                |
| <p>I cannot fault the communication I received from the local authority and the school, once my son was offered a place.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>I think the communication was excellent but it's the system of how school places are offered that needs adjustment. People who are allocated something on their list should only be able to appeal once people who haven't been allocated anything on their list have been dealt with.</p>                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>not very satisfied but I haven't got a choice now.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>more consideration should be given to first and second preferences more than the schools rated least likely to be preferred.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>It's a joke - all schools should apply the same criteria</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>Our son is now in Y7 so my comments may be out of date. Both Croydon and Southwark had virtually non-existent communication. Although our son was offered a Southwark school it was the school who contacted us and netierh LA until Croydon told us we were going to have the offer withdrawn as we had not accepted it! We had accepted the school offer but as we had not received any communication from either LA we did not have any need to respond to them nor</p>                                                                                                                                                                                                 |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| did we know there was an expectation that we would!                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| I was initially offered one place and then two month's later received an offer via Southwark for a higher preference school. This was well communicated to me but I later discovered (in July) that Southwark admissions had failed to inform the original school.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| I didn't get an acknowledgement of my acceptance of my son's place. This made me feel a bit insecure and the school itself took several weeks to acknowledge acceptance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| I am a very pleased customer for the simple reason, I was offered my first choice school.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| SAT's should be done before and used in the admissions process as this will help the more able children to get one of their higher preferences.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| We got our 1st choice of school, most people did not and were very unhappy with subsequent communication - information from schools re waiting lists etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| I am feeling very unsure for the next children to go to secondary school                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| The system is over-complex and incredibly confusing. I particularly object to having to take my child to several different banding tests at different locations. This is extremely inconvenient for working parents and unnecessarily stressful for children. Clashes with other tests/illness and snow all contributed to difficulties in making the dates and the resulting threats that applications would be invalid if the child does not sit the test was unhelpful and stressful. And possibly even illegal. Why can't there be a one-off banding test for all Southwark schools which takes place in the children's own primary school as in previous years? If schools can administer SATs tests in-house then surely they can administer a simple banding test? An enormous waste of time especially given that most schools do their own tests again at the beginning Yr 7. Spurious 'scholarships' and specialist places also add to the complexity of the system and it is clearly a method of selecting - further invalidating any concept of 'fair banding'. |

### Section five asked respondents about their experiences if their child has special needs

#### Does your child/ren have special needs?

|     |    |
|-----|----|
| Yes | 10 |
| No  | 62 |

**If yes, how satisfied were you with the information and support available to assist you making an application to a school and access support for your child with special needs`? 1 to 10 (where 10 is very satisfied and 1 very unsatisfied)**

|                        |            |
|------------------------|------------|
| <b>Overall average</b> | <b>4.9</b> |
|------------------------|------------|

| <b>Do you have any comments about the kind of information and support available for parents of a child with special needs? What worked well? What could be improved?</b>                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The support system worked well basically the SEN team did all the work and I was well informed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| I was interested in speech and language schools outside of Southwark (there are none in borough) and contacted the Parent Partnership who did not have any information and advised me to contact individual boroughs, they also said it was unlikely I would get the place funded. I found this comment unhelpful (and not impartial). I eventually contacted AFASIC a national charity which was able to give me advise, but felt the Parent Partnership should have at least been able to sign post me to relevant specialist organisations. (This comment was inputted elsewhere on the form). |
| Please see previous comments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| My son has special needs but unfortunately this was not diagnosed until he started secondary school, everything went downhill from then on, I would go so far as to state that he was discriminated because of his disability.                                                                                                                                                                                                                                                                                                                                                                    |
| I have been trying to get help for my son since he was at nursery. He will be starting secondary in September 2011 and I still have no help or no advice.                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| My daughter is diabetic and I wanted to know whether that could be used as criteria in gaining a place at a specific school, the council officer had no idea, or what steps I could take to find out.                                                                                                                                                                                                                                                                                                                                                                                             |

|                        |                                |                                                                                                                                                                                       |                                 |
|------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <b>Item No.</b><br>8.  | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                                                                                                                                     | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>   |                                | Reporting the outcome of statutory consultation on the proposed enlargement of St Anthony's Catholic Primary School from a 1.5 to a 2 Form Entry Primary School from 1 September 2012 |                                 |
| <b>Wards affected:</b> |                                | East Dulwich, Peckham Rye, Village and Nunhead                                                                                                                                        |                                 |
| <b>Cabinet Member:</b> |                                | Councillor Catherine McDonald, Children's Services                                                                                                                                    |                                 |

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

This report details the outcome of the statutory consultation on the proposed enlargement of St Anthony's Catholic Primary School. It is proposed to seek agreement from the Governing Body and the Diocese to change the school's admission arrangements either temporarily or in the long term to make the additional places available to both local denominational and non-denominational families. This will ease the pressure for a place at a good local school for families in the south of the borough.

In addition it would remove the mixed age teaching groups at the school and result in single year group classes. Pupils will benefit from being taught a curriculum which is closely related to their specific year groups and this would have a positive effect on standards at what is already a high performing school.

The appropriate consultation has been carried out with all the local stakeholders, including all the parents of the school. The schools' governing body is fully in favour and has led the consultation and publication of the proposals. All the consultation responses are appraised in the report, which recommends that the enlargement proceeds.

## **RECOMMENDATION**

1. That the Cabinet agrees the proposals contained in the statutory notice which will effect the permanent enlargement of St Anthony's Catholic Primary School from a 1.5 to a 2FE primary school from 1 September 2012.

## **BACKGROUND INFORMATION**

2. The rise in primary school rolls was first experienced in the East Dulwich area in 2009 when additional bulge classes were introduced to meet demand. A broader strategy of bulge classes coupled with selective permanent expansion of schools was agreed. Where permanent enlargements were proposed, consideration would be given to removing half forms of entry where they exist, as these can present some difficulties in class organisation and are unpopular with parents. At that time the Executive welcomed the offer by the governors of St Anthony's Catholic Primary School to expand with effect from September 2010. This expansion should secure 105 additional permanent places at the school.

3. In the East Dulwich (SE22) area there are four primary schools. The increasing pressure for places in this area is being or has been met by the provision of bulge classes at all these schools – Goodrich (2009/10), Goose Green (2011/12), Heber (2010/11) and St Anthony's Catholic primary school (2010/11 and 2011/12). Each school has benefitted from capital investment to provide their bulge classes and supporting accommodation.
4. In the East Dulwich area there is only one half form entry school – St Anthony's Catholic primary school. Therefore a bulge class offering 15 additional places was opened at St. Anthony's in September 2010 in temporary accommodation pending a decision on the permanent enlargement. That bulge class is being continued in September 2011 in the expectation that it would lead to permanent expansion.
5. St Anthony's school has been heavily oversubscribed for the last three years. There is clear evidence of demand for places predominantly from local residents. (There were 60 first preference applications from local Catholic families within 2 kilometres of the school in 2011; 54 of these applications were from within the SE22 postcode area).
6. In spring 2010 the Governing Body of St Anthony's carried out initial consultation on the permanent enlargement of their school from a one and half to a two FE primary school from September 2010, in the context that there were more children looking for places at Southwark's primary schools. Due to slippage in the timetable a revised consultation was undertaken in spring 2011 on the school enlarging from September 2012.
7. The outcome of the initial and revised consultation was considered by the school's Governing Body in June 2011 and they agreed to the publication of a statutory notice proposing to enlarge St Anthony's Catholic Primary School from 1 September 2012.
8. There has been one response to the statutory notice, which is noted later in this report.
9. A decision must be taken by the Cabinet by 22 September 2011 – in line with the statutory consultation process requirements – otherwise the decision will automatically be referred to the Office of the Schools Adjudicator to make the decision.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

Effect on standards, contribution to school improvement

10. St Anthony's Catholic Primary School is a good school with outstanding features that has achieved excellent results – in 2011 90% of pupils at KS2 achieved above Level 4 in English and Maths and in 2010 the school had a Contextual Value Added (CVA) KS1-2 score of 100.9. St Anthony's was recognised by Ofsted as a successful school particularly on account of the school management and the quality of teaching, which would continue in the enlarged school. The school currently has 321 pupils and is located in Etherow Street SE22 OLA.

11. As a result of the pressure for places in the area the school has opened bulge classes in 2010/11 and 2011/12 and has therefore recruited 60 pupils in each year. Permanently enlarging the school to 2 FE, which would involve the construction of additional classrooms, would mean that 105 additional permanent places would be provided at a good school. The two form entry model is considered to offer a good balance in terms of size, large enough to attract a budget to support an extended curriculum whilst retaining the character of a small school.
12. The permanent enlargement would expand a successful and popular school, which has very good performance, is oversubscribed at first preference and is rated by Ofsted as a good school with outstanding features.

#### Balance of denominational provision

13. St Anthony's Catholic Primary School current admission policy is determined by the governing body and gives priority to Catholic 'Looked after' children and then baptised Catholic children. Subsequently the school offers places to Looked after children who are not Catholic, children from other faiths and then other children. This is compliant with the requirements of the School Admissions Code. St Anthony's does not have a sibling criterion as part of its oversubscription arrangements but does admit applicants under each criterion by i) supplementary form information, ii) siblings, iii) social and medical iv) distance. This is in line with oversubscription guidance from the Catholic Diocese and complies with the school admissions code.
14. There is a continuing predicted pressure for more primary places for the community in the East Dulwich area but it is not possible to say from the planning projections whether they are for community or denominational places. In order to ensure that there is an increase in the supply of places in the local area for local children it is therefore proposed to seek the agreement from the Governing Body and the Diocese to change the school's admission arrangements either temporarily or in the long term to make the additional places proposed at this school available to both local denominational and non-denominational families.

#### Need for places

15. School roll projections are updated annually; the projections for the borough as a whole show the need for additional reception places from September 2012 particularly in the south of the borough. This increasing pressure for places is being met by the provision of bulge classes and permanent expansion in line with the Council's commitment to provide primary school places for local children. The medium/long term need will be kept under review, and it is currently not anticipated that further additional places would be needed at St Anthony's School.
16. Bulge classes have been provided in community, Church of England and Catholic schools to meet local demand. St Anthony's School has been heavily oversubscribed at first preference for the last three years. There is clear evidence of demand for places predominantly from local residents. (There were 60 first preference applications from local Catholic families within 2 kilometres of the school in 2011). The provision of additional places at the school will therefore provide additional primary capacity for local residents in the south of



the borough (subject to the negotiations in paragraph 13) and in line with the Council's commitment.

#### Admissions policy

17. As confirmed above the governing body of St Anthony's sets its own admissions criteria.

#### Impact on the community and travel

18. Maintaining access to extended services in the area has been considered. The enlarged school will continue to provide improved extended services and will also continue to play its part in achieving local community cohesion.

#### Travel and accessibility for all

19. The enlargement would not extend journey times or increase transport costs as it would be creating more places to meet local demand.

#### Funding the costs of permanent enlargement

20. Provision has been made within the capital refresh report to support an enlargement associated with the proposed expansion of the school alongside LCVAP (Local Authority Co-ordinated Voluntary Aided Programme - Department for Education capital resources for VA schools), the Archdiocese of Southwark and the school's governing body.

### **Community impact statement**

21. An Equality Impact Assessment has been carried out. Enlarging St Anthony's will enable more pupils in the local community to benefit from the high standards at a good school.

#### Views of interested parties

22. The school carried out the initial consultation in spring 2010 with education stakeholders including the head-teachers and chairs of governors of all Southwark schools, parents and carers of pupils at the school, Councillors, the trade unions, Lambeth and Lewisham neighbouring authorities, the diocese and diocesan board.
23. Many responses in favour of the proposal were received from parents (25), local schools (14) and the diocese. All told 42 responses were received in favour of the proposals. Many responses were in favour because with the high demand for places at the school, its expansion to a two form entry school, with an additional fifteen Reception places each year, increases the opportunity for such families to attend their local Catholic school. Equally, the expansion will allow for single year group classes and the children will therefore benefit from being taught a curriculum which is closely related to their specific year groups. Responses noted that the school is well managed with smooth running under strong leadership which, as shown through Ofsted inspections, has met required standards consistently over many years and has excellent SATs results.

24. There were letters of opposition from two local Catholic primary schools. One local Catholic primary school was concerned about the impact of increasing the size of St Anthony's as they were worried that they could lose pupils as a result. However, given the growth in rolls this is unlikely to lead to surplus capacity as these places would be taken by other local children, and ultimately last year all the places at the school were filled. St Anthony's has demonstrated the large number of applications meeting its current admissions criteria and that even with an increased intake, the school will continue to be heavily oversubscribed. Many children from Catholic families will still not be able to gain a place and may wish to seek a place at other Catholic schools. In addition a local community primary school expressed concern considering there to be insufficient local demand. However, the school has not repeated their concerns in the second round of consultation and have themselves taken a bulge class.
25. A further initial consultation exercise has been undertaken on the proposed enlargement from September 2012 with all the initial consultees re-consulted on the revised date. Whilst the consultation specified the number of additional places the fact that these would be allocated using the school's existing admissions criteria was not specifically referred to.
26. In the second consultation round more responses in favour of the proposal were received (51), however, fewer were from parents although St Anthony's headteacher confirms anecdotal evidence from discussions with parents that they continue to very much support the proposals. Supporting responses were received from many staff and two former pupils, and a well-received public meeting about the plans for rebuilding the school was held. In the second round one local Catholic primary school again wrote objecting to the proposal on the grounds of there being insufficient demand as in spite of the evidence of the projections and St Anthony's own list of applications the school remained unconvinced of the local need. However all the places at this school have been allocated this year and the Archdiocesan Commission and the Area Bishop of the Archdiocese have written to support the enlargement proposal.
27. There was one response to the statutory notice (published in June for consultation until 22 July 2011) from a St Anthony's parent who is concerned about the impact of the works on the pupils during the building contract and how the external play area at the school will be managed once the works have been completed. If the enlargement is agreed these issues will be addressed in the specification for the building works.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

Cabinet is advised to agree the recommendation contained in the statutory notice and enlarge St Anthony's Catholic Primary School.

#### Legislative basis

28. The Education Act 1996 and the Education and Inspections Act 2006 provide the legislative basis for school reorganisation.

29. The Local Authority is enabled to effect changes to schools in its area, including voluntary aided schools such as St Anthony's with the permission of its governing body.
30. The Local Authority has a statutory duty under s.14 Education Act 1996 to ensure there is sufficient primary provision and suitable special educational needs provision available in Southwark.
31. The regulatory provision governing school expansion is found in the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007. St Anthony's proposed expansion to the PAN from 45 to 60 pupils has triggered the requirement for a statutory notice as the school will be enlarged by 25%.

#### Consultation

32. A consultation process has been followed originally in 2010 and updated in 2011 as a result of delay in the original proposal due to funding uncertainty. Stakeholders have been given an additional opportunity to reconsider the proposals. Cabinet must be satisfied that the consultation period allowed stakeholders adequate time to understand the proposals and the opportunity to make their views known. Cabinet must also demonstrate engagement with the responses provided in their decision making.

#### Decision making

33. In making the final decision, Cabinet members must take into account, the guidance "Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form" updated 1 February 2010. In particular, Cabinet must have regard to the statutory decision makers guidance which is set out in Stage 4 of each of the aforementioned guidance, and copies will be made available to Cabinet Members for consideration.
34. Cabinet may reject, approve or approve the proposals with a modification or condition. A decision must be made within 2 months of the end of the representation period, and if not the decision must be referred immediately to the Office of the Schools Adjudicator.
35. There is a presumption contained in the Schools Admissions Code that proposals to expand successful and popular schools should be approved.
36. If Cabinet is minded to approve the recommendation, it will effect the enlargement from September 2012 and the proposals must be implemented.
37. Cabinet is advised to note the equality implications arising from the Equality Impact Assessment in the Community Impact Statement above. In particular, Cabinet will note the main issue in respect of equality duties relates to the enlargement of a Catholic school, and additional school places where Catholic parents are prioritised.

#### **Finance Director**

38. The Dedicated Schools Grant and schools budget will increase in line with the increasing pupil numbers at the school.

39. Provision has been made in the capital refresh report approved by the Council Assembly on 6 July for a contribution towards the costs of the major enlargement of the school, with the balance met by the school, DfE grant aid and a contribution from the Roman Catholic Archdiocese of Southwark. A scheme is being drawn up by the Archdiocese and a proposal will come forward for a funding agreement for a decision by the Cabinet Member for Children's Services.

## BACKGROUND DOCUMENTS

| Background Papers                                                                                    | Held At                              | Contact                        |
|------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------|
| Statutory Notice to enlarge St Anthony's Catholic Primary School                                     | Tooley Street                        | Martin Wilcox<br>020 7525 5018 |
| DfE Regulations and Guidelines                                                                       | Tooley Street                        | Martin Wilcox<br>020 7525 5018 |
| Expanding a Maintained Mainstream School by Enlargement or Adding Sixth Form – Guidance dated 1.2.10 | Guidance provided to Cabinet Members | Martin Wilcox<br>020 7525 5018 |
| Equality Impact Assessment                                                                           | Tooley Street                        | Martin Wilcox<br>020 7525 5018 |

## AUDIT TRAIL

|                                                                         |                                                          |                          |
|-------------------------------------------------------------------------|----------------------------------------------------------|--------------------------|
| <b>Cabinet Member</b>                                                   | Councillor Catherine McDonald, Children's Services       |                          |
| <b>Lead Officer</b>                                                     | Kerry Crichlow Assistant Director of Children's Services |                          |
| <b>Report Author</b>                                                    | Martin Wilcox, Education Planning Officer                |                          |
| <b>Version</b>                                                          | Final                                                    |                          |
| <b>Dated</b>                                                            | 7 September 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                      |
| Cabinet Member                                                          | Yes                                                      | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |                                                          | 7 September 2011         |

|                                    |                                |                                                                                       |                                 |
|------------------------------------|--------------------------------|---------------------------------------------------------------------------------------|---------------------------------|
| <b>Item No.</b><br>9.              | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                                     | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Quarterly Revenue Monitoring Report Quarter 1, 2011/12, including Treasury Management |                                 |
| <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 financial position against its budget for the first quarter of the current financial year, and asks cabinet to approve the budget adjustments set out in Appendix A.

The scope of the report includes the general revenue account, housing revenue account, the use of reserves, treasury management activity and the council tax collection fund. For the general revenue account, there is detail on the pressures on departmental budgets. For the collection fund, it is too early to assess fully the impact of bringing the Revenue and Benefits service in-house, although it is clear that the collection rate is higher than at the same point last year. There have been no changes to the borrowing set out in the treasury management report.

### **RECOMMENDATIONS**

1. That the cabinet notes:
  - the general fund outturn forecast for 2011/12 and the forecast net movement in reserves;
  - the housing revenue account's (HRA) forecast outturn for 2011/12 and resulting forecast movement in reserves;
  - the treasury management activity for the first quarter of 2011/12.
2. That the cabinet notes the forecast performance for the Council Tax and Business Rates collection fund, and that a report will be brought to cabinet and put on the forward plan on the performance of the service since moving it in-house.
3. The cabinet approves the general fund budget movements that exceed £250k, as shown in Appendix A.

### **BACKGROUND INFORMATION**

#### **General fund**

4. The purpose of this report is to provide a forecast for the end of the financial year 2011/12, using predictions based on the experience to date and knowledge as at the end of Quarter 1 (June 2011). Work continues throughout the council to

ensure that a balanced position is achieved by the end of the year.

5. The council agreed a balanced budget of £321m on 22 February 2011 based on a nil council tax increase. This budget was set in the context of significant overall cuts in government funding. It required the identification of some 25% savings proposals over the three years from 2011/12 to 2013/14, to mitigate against the reduction in resources and to continue to fund the Council's commitments in terms of services provided.
6. The budget plan recognised a number of key commitments and cost pressures. The budget for children's services included a commitment of £785k over the two years from 2011/12 which is to cover the cost of lost funding for the youth offending services and to support young adults who are in receipt of a special guardianship order. £1.145m was agreed to fund the provision of free healthy school meals for primary aged pupils in maintained schools in Southwark in 2011/12. There will be a phased implementation over the academic years 2011-14.
7. Core budget savings of some £5.8m in 2011/12 were proposed within children's services. This target is significantly challenging whilst also bearing a reduction of nearly £6.0m in previous grant funding supporting core children's services activities.
8. The budget agreed for health and community services in 2011/12 was £114.3m. This budget included a growth proposal of £1.85m to support approximately 45 young people with learning disability care needs in transition to adult social care. For 2012/13 and 2013/14 this pressure is expected to increase by a further £1.96m and £2.17m respectively, and therefore close monitoring and stringent financial control on costs will be required to contain such significant budget pressures.
9. Meeting the 25% savings target within adult social care presented a significant challenge as the vast majority of the budget goes to meet the needs of people who are assessed at 'critical' or 'substantial' risk under Fair Access to Care Services (FACS). The approach proposes a whole systems change in delivery proposed for adult social care focused on transformation, improvement and modernisation. This includes service redesign and reconfiguration. Through this programme, savings of some £7.7m in 2011/12 are planned to be achieved, with further indicative savings of £10.7m in 2012/13 and £8.5m in 2013/14.
10. When setting the Council budget there were a number of budget proposals that would impact across the entire Council and are of cross-organisational significance. These include the cost of pension provision, changes in employer national insurance costs (specifically as a result of the government's emergency budget), and contingency provision to mitigate against future, as yet unknown, budget pressures. In 2011/12 the Council proposed to set aside some £9.4m to cover such costs. The indicative allocations for 2012/13 and 2013/14 are £4.7m and £4.8m respectively.
11. The council approved budget decisions including agreed budget reductions of some £33.8m within general fund and a further £22.4m within the housing revenue account for 2011/12. Performance on achieving these savings is closely monitored and details are provided in paragraphs 45 to 51 below.

## **Housing revenue account**

12. Cabinet agreed a balanced budget on 15 February 2011, having previously set tenants' rents and service charges on 25 January 2011 in line with the government's prescribed formula. Like the general fund, the budget was set in the context of a 25% savings target over three years. The starting point of this process was to listen to residents' concerns about the services they wish to protect, the potential for better value for money and more efficient ways of working.
13. Delivering savings of this scale required a radical approach to structures and working practices, but importantly it also provided an opportunity for transformational change to improve access, harness new technologies to deliver better services and increase efficiency.
14. The restructure of the housing services department was fully implemented on 1 September 2011, on target, with the exception of Southwark Building Services (SBS). Budget savings for 2011/12 in the region of £9.0m will be achieved.
15. The restructure of SBS operatives is ongoing with implementation expected to take place on 1 October 2011. The first stage of the SBS management restructure is complete with staff from the consultancy Just Housing transferring by TUPE on 1 September. The management restructure will be implemented by 1 January 2012. Just Housing Management full year savings equate to £600k for 2012/13 and a further £800k in 2013/14.

## **KEY ISSUES FOR CONSIDERATION**

### **Current forecast position**

#### **General fund budget month 3 monitor**

16. Table 1 below shows the current forecast outturn position for quarter 1 (as at 30 June 2011) by department. These estimates are based on three months experience and do not at this stage reflect the impact of stringent management action being implemented by all strategic directors to ensure that they deliver their services within budget as agreed through the policy and resources strategy in February by council assembly. Progress for each department is shown in paragraphs 22 to 39 below.

**Table 1: General fund forecast outturn position for 2011/12 as at Q1**

| General fund                                                                     | 2011/12<br>Original<br>budget<br>£'000 | Budget<br>movements<br>£'000 | 2011/12<br>revised<br>budget<br>£'000 | 2011/12<br>forecast<br>outturn<br>£'000 | Variance -<br>over /<br>(under) <sup>(1)</sup><br>£'000 | 2010/11<br>Variance<br>at Q1<br>2010/11 -<br>over /<br>(under) <sup>(2)</sup><br>£'000 |
|----------------------------------------------------------------------------------|----------------------------------------|------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------|
| Children's services                                                              | 90,438                                 | 0                            | 90,438                                | 91,838                                  | 1,400                                                   | 400                                                                                    |
| Health and community services                                                    | 112,913                                | (4,462)                      | 108,451                               | 108,836                                 | 385                                                     | 2,412                                                                                  |
| Environment                                                                      | 68,660                                 | 1,259                        | 69,919                                | 70,053                                  | 134                                                     | 1,068                                                                                  |
| Housing (including Customer Service Centre)                                      | 42,414                                 | 0                            | 42,414                                | 43,987                                  | 1,573                                                   | 0                                                                                      |
| Regeneration and neighbourhoods                                                  | 9,803                                  | 1,285                        | 11,088                                | 11,163                                  | 75                                                      | 399                                                                                    |
| Deputy chief executive                                                           | 9,277                                  | 0                            | 9,277                                 | 9,277                                   | 0                                                       | 0                                                                                      |
| Communities, law and governance                                                  | 11,510                                 | 0                            | 11,510                                | 11,510                                  | 0                                                       | 0                                                                                      |
| Finance and resources & strategic financing                                      | 28,703                                 | 4,590                        | 33,293                                | 33,343                                  | 50                                                      | (90)                                                                                   |
| SCR income                                                                       | (55,029)                               | 0                            | (55,029)                              | (55,029)                                | 0                                                       | 0                                                                                      |
| <b>Total general fund before appropriations</b>                                  | <b>318,689</b>                         | <b>2,672</b>                 | <b>321,361</b>                        | <b>324,978</b>                          | <b>3,617</b>                                            | <b>4,189</b>                                                                           |
| Contingency                                                                      | 5,500                                  | 0                            | 5,500                                 | 0                                       | (5,500)                                                 | <b>(4,000)</b>                                                                         |
| Direct revenue funding of capital                                                |                                        | 0                            |                                       | 0                                       | 0                                                       |                                                                                        |
| Appropriations to/(from) reserves                                                | 2,195                                  | (2,672)                      | (477)                                 | (477)                                   | 0                                                       | 0                                                                                      |
| Appropriations from reserves – planned use of reserves to underwrite base budget | (3,363)                                | 0                            | (3,363)                               | (3,363)                                 | 0                                                       | 0                                                                                      |
| <b>General fund total</b>                                                        | <b>323,021</b>                         | <b>0</b>                     | <b>323,021</b>                        | <b>321,138</b>                          | <b>(1,883)</b>                                          | <b>189</b>                                                                             |

Note 1: Explanations of budget movements exceeding £250k are provided in Appendix A.

Note 2: The variances at Q1 2010/11 reflect the pre 1 April 2011 departmental structure.

17. The general fund unfavourable variance before appropriations of £3.617m is consistent with unfavourable variances reported at this stage in previous years, but shows a slight improvement. The table above shows an unfavourable variance of £4.189m at this stage in 2010/11. In 2009/10 this figure was £5.878m.
18. The general fund forecast excludes estimates of one off re-organisation and redundancy costs that the Council expects to incur as it continues to put into action plans necessary to deliver the ongoing savings identified within the budget. As reported in the 2010/11 revenue outturn report, the council was able to contribute the £4m contingency budget to the modernisation reserve to meet future costs of reorganisation and redundancy. This will be used to support departmental reorganisation plans and any redundancy costs arising.
19. The forecast does not yet reflect the £100k Emergency Small Business Recovery Fund established to provide immediate, short-term support to small businesses in Southwark physically affected by the public disorder. This fund will be covered from Financial Risk Reserves which is set aside against future financial risks that may arise and so is appropriate for use in this instance. As applications are received, this allocation will be reviewed to ensure the adequacy of this fund.
20. Currently there is an overall favourable variance of £1.883m projected for the general fund by the end of 2011/12 based on the limited information available by the end of June. This assumes the full use of the contingency for the year. No variances are reported in respect of the housing revenue account or the collection fund.



21. The budget movements reported in Table 1 are detailed further in Appendix A.

### **Children's services**

22. For 2011/12, a total overspend of £1.4m is predicted: £900k due to cost pressures arising from pre-existing budget pressures and £500k related to the budget savings, unable to be contained within Children's Services budget.

23. The key areas of unfavourable variance are set out below, largely arising from uncontrollable demand pressures on the service:

- £200k predicted on families with "No Recourse to Public Funds". A robust panel considers each case rigorously; however, expenditure remains a budget pressure.
- £200k predicted on Unaccompanied Asylum Seeking Children (UASC) reflecting the shortfall between the financial support through the Home Office Grant for eligible UASC and the number of cases and level of financial support provided.
- £500k on transport of pupils with Special Educational Needs to school by bus and taxi. This budget has experienced cost pressures for a number of years. A new policy document to reduce expenditure through a revised travel assistance plan has been approved. Work is also underway for the re-tendering of the bus and taxi contracts due to take place in 2012.
- £1.4m unfavourable variance includes £500k of savings that the service will not be able to realise in year due to delays in the implementation of the youth service redesign, £400k; and £100k of unrealisable savings on pupil transport.

### **Schools**

24. From 2011/12, all the grants schools receive have been merged into the Dedicated Schools Grant (DSG), and all schools have been notified of their total budgets for the whole year. A consultation on the future of school funding has been issued by the Department for Education (DfE), proposing a single national school funding formula in future years.

25. The final DSG for 2011/12 is £196.7m (subject to further academy conversions) of which £167m is allocated directly to schools. The DSG budget is predicted to be balanced, at this stage in the year.

### **Health and community services**

26. Health and community services are currently forecasting a small adverse variance. The department has a 3 year saving plan of £27m with a year 1 target of £7.7m, consisting of a number of savings and efficiencies. Some of these targets are extremely challenging and latest projections indicate that approximately £385k may not be achieved within the planned timescales, and this is reflected in the forecast. Senior officers are working to manage the future outturn within available resources. The areas of concern include supporting people, mental health day services and Holmhurst Day centre for older people. More detail is provided in paragraphs 47 and 48 below.

27. The slippage in the savings programme is being mitigated by compensating savings, and these are outlined in paragraph 48.

### **Environment and leisure**

28. The department successfully implemented the vast majority of the savings proposed for this financial year, before the start of the year. It is anticipated that compensatory one off savings can be identified for most of the budget pressures identified within divisions. The cautious forecast for the year is an unfavourable variance of £134k of which the largest item is non-achievement of the film income as a result of ceasing filming on estates and Burgess Park. This forecast excludes redundancy and reorganisation costs (currently estimated at £1.3m) incurred this year as a result of restructuring to achieve savings. This position will be closely monitored through the year, and any favourable variances emerging within the department used in the first instance to contain the pressures identified.

### **Housing general fund (HGF)**

29. Following the creation of the housing services department, a number of activities have been drawn together under the housing general fund (HGF) for 2011/12. Responsibility for client services comprising the customer service centre (CSC), concessionary travel and complaints has transferred from the deputy chief executive to housing services. The Vangent contract for the CSC comprises a fixed and variable cost element dependant on volumes. Comparative activity data is currently being validated to identify and quantify any budgetary impact in 2011/12.
30. As part of the council's three year general fund savings programme, £1.5m was identified on the CSC, £500k from existing contract arrangements and a further £1m predicated on the basis of contract realignment in each of the three years commencing 2011/12. The strategy and options are still being assessed and negotiations with Vangent continue, but it is increasingly unlikely that these savings will be fully realised in year 1. This is considered to be the worst case scenario and will be kept under review, but substitution from other HGF budgets is unlikely and this may ultimately require a call on corporate reserves.
31. Other services within the HGF are currently forecasting relatively minor variances against budget, but the forecast needs to be viewed with some caution at this point, given the cost/ volume variables. The main area of risk exists within community housing services in relation to the provision of temporary accommodation, particularly bed and breakfast.
32. Homeless caseload is demand led and volatile and has a disproportionate financial impact on CHS budgets. This requires stringent monitoring/ control and diversion where possible into alternative and more financially neutral forms of accommodation to minimise the budget risk. Development of the hostels programme and additional estate void properties within the HRA are coming on stream at Bradenham and Chartridge, which should relieve some of the cost pressure on the general fund.

33. Availability of properties within the private rented sector has been problematic with procurement running at a slower rate than planned over the first quarter. It is crucial that the supply side is maximised as it presents the most cost effective alternative to bed and breakfast. It is anticipated that this will be brought back on track during the next quarter. The forecast also includes £135k of redundancy costs accrued to date. If no favourable variances can be achieved in mainstream budgets then the forecast assumes that redundancy costs will be funded from corporate reserves. This position will be monitored through the year
34. The provision of travellers' sites is a general fund activity managed within housing management. Changes in legislation have affected void lettings and whilst they will recommence shortly, the rent debit will be lower than budget as there is no scope to recover the position over the remainder of the year. Expenditure budgets are relatively minor but site running costs have been subject to some volatility in the past and there are on-going utility billing issues to be resolved. Expectation is that additional costs will fall into 2011/12 that cannot be contained within budget.

### **Regeneration and neighbourhoods**

35. The department is showing a £75k unfavourable variance at month 3. This forecast excludes planned expenditure that it is to be funded from earmarked reserves set aside in previous years, such as spend in relation to Southwark schools for the future, housing planning and delivery and regeneration of Canada Water and Bermondsey Spa.
36. The additional revenue pressures that have developed are being addressed as part of the normal budget management process, and mitigating action is being taken to exert control over these variances. At this early stage in the year there is a cautionary approach to determining the final outturn, but as the year develops the outturn will become clearer, with further mitigating actions being taken to curb any emerging pressures.

### **Communities, law and governance**

37. The overall departmental forecast is on budget, however there is a financial risk within the registrars service that could lead to an adverse forecast variance in future monitoring reports.

### **Deputy chief executive**

38. The deputy chief executive's department (DCE) is currently forecasting a nil variance. This year has seen the former client services division disaggregated between the housing services, finance and resources and communities, law and governance departments and is therefore now included in the monitoring reports for those departments.

### **Finance & resources / Strategic Financing**

39. Finance and resources is reporting an unfavourable variance of £50k for the year. This forecast excludes expenditure of £318k in relation to the corporate programming unit, funding for which is set aside within the modernisation reserve. The department is undergoing a fundamental restructure including the re-tender of the SERCO contract and re-organisation of the finance division,

which are both expected to yield significant savings. These savings have been included in the figures and although there is some level of uncertainty at present they are expected to be met.

40. In 2011/12, Southwark established a youth fund of £1m for post 16 education and employment, which involves three elements
  - The Southwark Educational Maintenance Supplement;
  - The Southwark Scholarship Scheme;
  - The Southwark Employment Training Scheme.
41. Use of this fund is currently at the implementation stage, however this report assumes that the fund will be fully utilised by the end of the year.
42. Savings were included in the budget and expected to be achieved within the revenues and benefits service from increased court costs. The service was brought in house with effect from the 1 April, and while the council is no longer seeking to increase court costs this year, alternative savings will be identified to compensate for this loss of income.

### **Contingency**

43. The 2011/12 budget included £5.5m for contingency. This budget is held to meet unforeseen costs that may arise during the year within departments that strategic directors are unable to contain. At present the overall projection assumes that the contingency budget of £5.5m will be used if necessary to address other cost pressures identified.

### **Housing revenue account**

44. There is a neutral position forecast at month 3, as shown in table 3, but underlying spending pressure remains, particularly in relation to the council's landlord responsibilities for the maintenance and improvement of the housing stock. There are a number of potential and known risks which will be monitored and addressed throughout the year with a view to delivering the savings required to achieve a balanced budget.

**Table 2: HRA forecast outturn position for 2011/12 as at Q1**

|                                                 | Net Expenditure           |                           |                            |
|-------------------------------------------------|---------------------------|---------------------------|----------------------------|
|                                                 | Full Year Budget<br>£'000 | Forecast Outturn<br>£'000 | Forecast Variance<br>£'000 |
| <b><u>Housing Services</u></b>                  |                           |                           |                            |
| Housing Management                              | (106,865)                 | (106,865)                 | 0                          |
| Home Ownership & TMI                            | (34,257)                  | (34,615)                  | (358)                      |
| Other Housing Services                          | 853                       | 853                       | 0                          |
| Community Housing Services                      | 4,536                     | 4,452                     | -84                        |
| <b><u>Regeneration &amp; Neighbourhoods</u></b> | 1,529                     | 1,529                     | 0                          |
| <b><u>Strategic Services</u></b>                |                           |                           |                            |
| Financing, Subsidy & Corporate Support          | 114,606                   | 114,606                   | 0                          |
| Major Projects                                  | 7,400                     | 7,400                     | 0                          |
| Heating Account                                 | 12,198                    | 12,198                    | 0                          |
| <b><u>HRA Carry Forward</u></b>                 | 0                         | (303)                     | (303)                      |
| <b><u>Movement in HRA Reserves</u></b>          |                           | 745                       | 745                        |
| <b>Housing Total</b>                            | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   |

**Implementation of the 2011/12 budget decisions including agreed budget reductions, savings and efficiencies**

45. The council had identified £56.2m agreed budget reductions, including savings and efficiencies for the general fund and housing revenue accounts as part of the 2011/12 budgets. At Quarter 1, there is a projected savings shortfall of £2.5m, as shown in Table 3.

**Table 3: Forecast projection of savings agreed for 2011/12 as at Quarter 1**

|                                 | Agreed by Council<br>£'000 | Total Forecast Savings<br>£'000 | Variance at Month 3<br>£'000 | Compensating Savings identified<br>£'000 |
|---------------------------------|----------------------------|---------------------------------|------------------------------|------------------------------------------|
| Children's Services             | (5,763)                    | (5,246)                         | 517                          | 0                                        |
| Health and Community Services   | (7,745)                    | (7,360)                         | 385                          | (385)                                    |
| Environment and leisure         | (7,328)                    | (7,106)                         | 222                          | 0                                        |
| Regeneration & Neighbourhoods   | (1,644)                    | (1,644)                         | 0                            | 0                                        |
| Housing general fund            | (2,054)                    | (654)                           | 1,400                        | 0                                        |
| Finance and Resources           | (5,904)                    | (5,904)                         | 0                            | 0                                        |
| Deputy Chief Executive          | (2,289)                    | (2,289)                         | 0                            | 0                                        |
| Communities, Law and Governance | (1,092)                    | (1,092)                         | 0                            | 0                                        |
| <b>Total General Fund</b>       | <b>(33,819)</b>            | <b>(31,295)</b>                 | <b>2,524</b>                 | <b>(385)</b>                             |
| Housing Revenue Account         | (22,399)                   | (22,399)                        | 0                            | 0                                        |
| <b>Total Savings 2011/12</b>    | <b>(56,218)</b>            | <b>(53,694)</b>                 | <b>2,524</b>                 | <b>(385)</b>                             |

### **Children's services**

46. Children's services is currently forecasting a savings shortfall of £517k, this comprises the following;
- A variance of £417k is reported against savings expected from the restructure of youth services. This is due to delays in the implementation of the restructure.
  - The budgeted savings of £100k through joining up transport procurement costs are now forecast to be offset by ongoing budget pressure. Efficiencies created will reduce spend and not generate a budget saving.

### **Health and community services**

47. Health and community services are currently forecasting a savings shortfall of £385k, this comprises the following;
- A reduction in costs is planned around a service redesign of pooled arrangements with South London & Maudsley Trust (SLAM). The savings forecast is now a prudent estimate of £537k, rather than the £650k budgeted (variance £113k), as SLAM are yet to finalise the savings plan.
  - A £230k variance is reported against the target of reducing the supporting people budgets by approximately 30% including efficiencies. There are possible delays in contract call off because of front loading of savings.
  - A variance of £110k on the rationalisation and redesign of Council run day centres. This is due to delays in sign off by members due to extension of consultation.
  - Savings around the reshaping of mental health day services have been delayed as a detailed implementation plan is being prepared (variance £200k). Implementation is now expected late in the financial year.
  - Reducing unit costs of home and residential care through better spot purchasing and procurement arrangements which will be administered through a central brokerage team is proceeding better than planned, and an extra saving of £283k is projected to be achieved.
48. There is a senior management team driven action plan to mitigate the risks and pressures identified above. This is expected to achieve £385k of savings and includes:
- Close review of new payments made to minimize the use of expensive residential care.
  - Better procurement of all purchased care to ensure lowest possible price.
  - Holding staff vacancies and limiting use of agency staff.
  - Re-assessing existing care packages, both in and out of Borough.
  - Maximising all potential income streams.

## Environment and leisure

49. Environment are currently forecasting a £222k an overspend directly resulting from the following:
- Reduced costs through procurement of the new parking enforcement contract will not be realised (variance £160k). A contract extension was awarded to bring in line the possible sharing of resources. Although negotiations on shared services with respect to parking are progressing well, savings for 2011/12 and 2012/13 will not be realised until 2013/14 as the current contract does not expire until February 2013.
  - £40k savings from the merger of drugs and alcohol strategy team and commissioning teams into one unit are unlikely to be realised within 2011/12. This is as a result of the complexity of negotiations with the Southwark Business Support Unit (formerly PCT). Actions are being taken to contain this variance within the division, and so far alternative one-off savings of £8k have been identified.
  - £50k savings resulting from rationalisation of school crossing patrol service will not be achieved. This is due to cabinet decision to defer this saving for one year, whilst alternative arrangements are made. This will be funded from reserves and therefore there is no impact on the forecast outturn.
  - There is a £100k variance on savings from the re-targeting of the environment grants programme. This is due to the requirement to taper the grant given to the organisations. £70k of this variance can be contained within the division.

## Housing general fund

50. Housing general fund is currently forecasting a £1.4m overspend directly resulting from a variance of £400k against the savings already built into the existing Vangent Contract and a variance of £1m against further Vangent contract savings through realignment. These savings are dependent on realigning the Vangent contract.

## Housing revenue account

51. Table 3 above shows total HRA budget movements of £22.4m for 2011/12. This comprises additional income generated through tenant rent and service charge increases (£12.1m), leasehold service charge income (£1.1m) and base budget savings of £9.2m. In terms of the savings element, these remain on track with only minor variations reported at this point. Conversely, garage income will fall short of the budget target due to the higher take-up of the concessionary charge rate introduced from April 2011 than originally anticipated. The variance (£600k) is incorporated in this Q1 monitor but can be contained from a contingency budget within the HRA in 2011/12 and will be addressed as part of rent/ budget setting for 2012/13.

## Reserves

52. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are maintained to finance calls for expenditure for items that are difficult to predict and that are not included in revenue budgets or within the capital programme. They relate especially to invest to save opportunities that form part of the modernisation agenda and expected to deliver future ongoing revenue savings. They are also held for investment in regeneration and development where spend may be subject to unpredictable market and other influences.
53. Where a department identifies a need for additional funding, there is a robust process for seeking support from reserves, where the department must demonstrate that they are unable to contain the identified additional pressure within their existing budget. Cabinet will be asked to approve this funding support where the amount is £250k or above.
54. As the year progresses, departments will naturally be in a better position to more accurately forecast their outturn position. This will allow for any unfavourable variances to be offset by favourable ones at departmental level, before the need to call on reserves.
55. The budget approved by Council for 2011/12 included a planned release of reserve of £3.363m. This call on reserve provided some flexibility in terms of budget setting and the profile of savings that the council identified in the Policy and Resources Strategy 2011/14. It is assumed in this quarter 1 report that this call on reserves will have to be made in full. However in the event that the contingency budget is not fully utilised, any unused contingency will be used first to bridge any remaining funding gap.
56. The 2011/12 budget includes a planned contribution to reserves of some £1.3m. This included £300k set aside for the future costs that will arise through changes in the council's management structure as the modernisation agenda is taken forward, and £1m contribution to reserves to support the ongoing regeneration and development agenda within the borough.
57. The tables in Appendix B summarise the projected movements in reserves.

## Collection fund / Council Tax and Business Rates Collection

58. As a billing authority the council is required to maintain a collection fund account, which shows the transactions of the billing authority in relation to non-domestic rates and the council tax, and demonstrate the way in which these have been distributed to preceptors and the general fund.
59. With effect from 1 April 2011, the Council brought in-house its revenue and benefits service, previously provided an external contractor. This will have an impact on performance, the effect of which cannot be quantified with any degree of certainty until later in the year. As at quarter 1, there is no evidence to suggest that the collection fund will not achieve the target break-even position at year-end. However, a number of potential risks have been identified, which are being monitored. In the main, these relate to the level of discounts and exemptions awarded, both of which affect income due from council tax payers and, therefore, the outturn position. A report on the Council Tax and Business



Rate collection service will be brought to cabinet in the future to demonstrate performance since the service was brought in-house.

### Treasury management

60. The council's treasury management activity relates to both cash and debt balances. The cash earns interest until it is needed in spending and the debt funds current and past capital spend met through borrowing. Three investment firms manage the council's investments and an in-house team focuses on meeting day to day cash volatility using money market funds, call accounts and short term deposits. The balance currently on deposit with major banks and building societies and in bonds is set out in table 4 below.

**Table 4: Investment counterparty exposure**

| EXPOSURE - JUNE 2011 COUNTERPARTY AND RATINGS |             |      |       |               |               |                  |
|-----------------------------------------------|-------------|------|-------|---------------|---------------|------------------|
| Counterparty                                  | Exposure £m |      |       | Fitch Ratings |               |                  |
|                                               | £m          | Long | Short | Support       | Sovereign     | Sovereign Rating |
| BARCLAYS BK                                   | 18.6        | AA-  | F1+   | 1             | UK            | AAA              |
| BANQUE NATIONAL de PARIS PARIBAS              | 6.5         | AA-  | F1+   | 1             | FRANCE        | AAA              |
| CREDIT AGRIC CIB                              | 10.9        | AA-  | F1+   | 1             | FRANCE        | AAA              |
| CREDIT INDUST ET COMRCL                       | 5.5         | AA-  | F1+   | 1             | FRANCE        | AAA              |
| DANSKE BK                                     | 0.5         | A+   | F1    | 1             | DENMARK       | AAA              |
| DEUTSCHE BK                                   | 17.3        | AA-  | F1+   | 1             | GERMANY       | AAA              |
| EUROPEAN INV BK                               | 12.1        | AAA  | F1+   |               | SUPRANATIONAL | AAA              |
| GLOBAL TREAS FUNDS-MMF                        | 14.1        | AAA  | F1+   |               | GLOBAL        |                  |
| HSBC                                          | 0.2         | AA   | F1+   | 1             | UK            | AAA              |
| ING BK                                        | 24.1        | A+   | F1+   | 1             | NETHERLANDS   | AAA              |
| INT BK RECONST DEVT                           | 4.7         | AAA  | F1+   |               | SUPRANATIONAL | AAA              |
| LLOYDS TSB/BK SCOTLAND                        | 10.1        | AA-  | F1+   | 1             | UK            | AAA              |
| NATIONAL AUSTRALIA                            | 22.0        | AA   | F1+   | 1             | AUSTRALIA     | AA+              |
| NATIONWIDE BSOC                               | 10.5        | AA-  | F1+   | 1             | UK            | AAA              |
| NORDEA BK FINLAND                             | 5.1         | AA-  | F1+   | 1             | FINLAND       | AAA              |
| RABOBANK                                      | 5.3         | AA+  | F1+   | 1             | NETHERLANDS   | AAA              |
| RBS/NATWEST                                   | 24.9        | AA-  | F1+   | 1             | UK            | AAA              |
| SANTANDER UK                                  | 21.5        | AA-  | F1+   | 1             | UK            | AAA              |
| SOCGEN                                        | 22.2        | A+   | F1+   | 1             | FRANCE        | AAA              |
| SVENSKA                                       | 4.0         | AA-  | F1+   | 1             | SWEDEN        | AAA              |
| UBS                                           | 2.6         | A+   | F1+   | 1             | SWITZERLAND   | AAA              |
| UK TREASURY                                   | 37.7        | AAA  | F1+   |               | UK            | AAA              |
| Grand Total                                   | 280.4       |      |       |               |               |                  |

61. No borrowing has been taken out so far in 2011/12 and the long term debt has remained at £762m throughout the quarter. Government proposals to move to self funding for housing would see Southwark's housing debt reduce by some £274m as at April 2012, which will reduce debt interest.

### Community impact statement

62. This report monitors expenditure on council services, compared to the planned budget agreed in February 2011. Although this report has been judged to have no or a very small impact on local people and communities, the projected expenditure it is reporting reflects plans designed to have an impact on local people and communities, which will have been considered at the time the services and programmes were agreed. It is important that resources are efficiently and effectively utilised to support the council's policies and objectives.

**BACKGROUND DOCUMENTS**

| <b>Background Papers</b>   | <b>Held At</b>                      | <b>Contact</b>                   |
|----------------------------|-------------------------------------|----------------------------------|
| 2011/12 revenue monitoring | 160 Tooley Street<br>London SE1 2QH | Vernon Smith<br>020 7525 57355   |
| 2011/12 treasury activity  | 160 Tooley Street<br>London SE1 2QH | Karsan Varsani<br>020 7525 54301 |

**APPENDICES**

| <b>No.</b> | <b>Title</b>                                                                  |
|------------|-------------------------------------------------------------------------------|
| Appendix A | Budget movements to be approved, £50,000 and above and movements to be noted. |
| Appendix B | Summary of projected movements in reserves in 2011/12                         |

**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>                                                    | Jennifer Seeley, Deputy finance director                                |                          |
| <b>Version</b>                                                          | Final version                                                           |                          |
| <b>Dated</b>                                                            | 9 September 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                                                        | Yes                                                                     | Yes                      |
| Cabinet Member                                                          | Yes                                                                     | Yes                      |
| <b>Date final report sent to constitutional team</b>                    |                                                                         | 9 September 2011         |

## General fund budget movements to be approved

## Budget movements to be approved

| Department from                           | Amount<br>£'000 | Department to                             | Amount<br>£'000 | Reason                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------|-----------------|-------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Health & community services               | (4,285)         | Finance and resources & strategic finance | 4,285           | As reported to Cabinet in February this year, a new provision of £1bn was made available nationally from the Department of Health via Primary Care Trust allocations, as set out in the NHS Operating Framework published in December 2010. This allocation is to support social care and benefit health. Southwark's share of this allocation was confirmed for two years at £4.3m in 2011/12 and £4.1m in 2012/13. This budget movement is to move the income budget to HCS where the actual income has been received. |
| Appropriations                            | (1,259)         | Environment and leisure                   | 1,259           | In setting the budget for this year, savings were identified that are reliant on service re-organisation. This budget movement represents the associated cost of redundancy being released from reserves.                                                                                                                                                                                                                                                                                                                |
| Finance and resources & strategic finance | (1,090)         | Appropriations                            | 1,090           | Planned contribution of additional new homes bonus grant income to reserves to meet capital expenditure.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Appropriations                            | (900)           | Finance and resources & strategic finance | 900             | The redirection of the planned contribution to modernisation reserve budget to meet existing pressures within the strategic finance budget.                                                                                                                                                                                                                                                                                                                                                                              |
| Appropriations                            | (388)           | Regeneration and neighbourhoods           | 388             | Planned use of reserve for Southwark Schools for Future (SSF) to supplement existing base budgets needed to fund technical, legal and financial/commercial support to the closure of remaining SSF projects.                                                                                                                                                                                                                                                                                                             |

|                |       |                                           |     |                                                                                                                                                                      |
|----------------|-------|-------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Appropriations | (318) | Finance and resources & strategic finance | 318 | To release resource from the modernisation reserve to fund the corporate programming unit (CPU).                                                                     |
| Appropriations | (300) | Regeneration and neighbourhoods           | 300 | Release of reserve set aside to meet the legal and other costs of numerous planning appeals the volume of which increased after the council tightened its standards. |

### Budget movements to be noted

| Department from             | Amount<br>£'000 | Department to                             | Amount<br>£'000 | Reason                                                                                                                                         |
|-----------------------------|-----------------|-------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Appropriations              | (199)           | Regeneration and neighbourhoods           | 199             | Release of housing planning delivery grant (HPDG) held in reserves to complete the committed projects.                                         |
| Appropriations              | (178)           | Regeneration and neighbourhoods           | 178             | Release of reserve to fund preparation of a development framework for Harmsworth Quays printworks to facilitate the redevelopment of the site. |
| Health & community services | (177)           | Finance and resources & strategic finance | 177             | Budgets transferred to revenues and benefits to fund the new Southwark benefits advice hub                                                     |
| Appropriations              | (135)           | Regeneration and neighbourhoods           | 135             | Release of reserve to fund regeneration around Canada Water and Bermondsey Spa                                                                 |
| Appropriations              | (85)            | Regeneration and neighbourhoods           | 85              | Release of reserve to meet costs in relation to improving local retail environments (ILRE)                                                     |

### Summary of departmental budget movements above

| Department                                | Total amount from | Department                      | Total amount to | Net movement |
|-------------------------------------------|-------------------|---------------------------------|-----------------|--------------|
| Appropriations                            | (3,762)           | Appropriations                  | 1,090           | (2,672)      |
| Environment                               | 0                 | Environment                     | 1,259           | 1,259        |
| Finance and resources & strategic finance | (1,090)           | Finance and resources           | 5,680           | 4,590        |
| Health & community services               | (4,462)           | Health & community services     | 0               | (4,462)      |
| Regeneration and neighbourhoods           | 0                 | Regeneration and neighbourhoods | 1,285           | 1,285        |
|                                           | <b>(9,314)</b>    |                                 | <b>9,314</b>    | <b>0</b>     |

## Appendix B

## Summary of projected movements in reserves in 2011/12

## General Fund reserve movements

|                                  | 2011/12<br>opening<br>balance | Projected<br>change in<br>reserves | Release<br>of reserve<br>for capital | 2011/12<br>forecast<br>closing<br>balance |
|----------------------------------|-------------------------------|------------------------------------|--------------------------------------|-------------------------------------------|
| <b>Reserve</b>                   | <b>£'000</b>                  | <b>£'000</b>                       | <b>£'000</b>                         | <b>£'000</b>                              |
| General fund earmarked - revenue | (48,130)                      | 1,567                              |                                      | (46,563)                                  |
| General fund earmarked - capital | (20,075)                      | (1,090)                            | 1,322                                | (19,843)                                  |
| <b>Total</b>                     | <b>(68,205)</b>               | <b>477</b>                         | <b>1,322</b>                         | <b>(66,406)</b>                           |

## Schools funding reserve movements

|                  | 2011/12<br>opening<br>balance | Projected<br>change in<br>reserves | Release<br>of reserve<br>for capital | 2011/12<br>forecast<br>closing<br>balance |
|------------------|-------------------------------|------------------------------------|--------------------------------------|-------------------------------------------|
| <b>Reserve</b>   | <b>£'000</b>                  | <b>£'000</b>                       | <b>£'000</b>                         | <b>£'000</b>                              |
| DSG reserve      | (4,819)                       | 0                                  | 1,284                                | (3,535)                                   |
| Schools balances | (10,754)                      | 0                                  | 0                                    | (10,754)                                  |
| <b>Total</b>     | <b>(15,573)</b>               | <b>0</b>                           | <b>1,284</b>                         | <b>(14,289)</b>                           |

## HRA reserve movements

|                | 2011/12<br>opening<br>balance | Projected<br>change in<br>reserves | Release<br>of reserve<br>for capital | 2011/12<br>forecast<br>closing<br>balance |
|----------------|-------------------------------|------------------------------------|--------------------------------------|-------------------------------------------|
| <b>Reserve</b> | <b>£'000</b>                  | <b>£'000</b>                       | <b>£'000</b>                         | <b>£'000</b>                              |
| HRA earmarked  | (20,577)                      | 0                                  |                                      | (20,577)                                  |
| <b>Total</b>   | <b>(20,577)</b>               | <b>0</b>                           | <b>0</b>                             | <b>(20,577)</b>                           |

|                                    |                                |                                                                         |                                 |
|------------------------------------|--------------------------------|-------------------------------------------------------------------------|---------------------------------|
| <b>Item No.</b><br>10.             | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                       | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Quarterly Capital Monitoring Report Quarter 1                           |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All wards                                                               |                                 |
| <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 position of the council's capital budget for the first quarter of 2011/12. The report also feeds in the decisions on the ten-year capital programme taken by council assembly in July, including the amendments made in relation to both Peckham Rye Station Square and Seven Islands Leisure Centre. Cabinet will recall that a further report will be presented in 2012 considering the allocation of remaining resources in the later years of the ten-year programme.

The report includes both the general fund capital programme and the Housing Investment Programme and gives detail of variations.

The report also 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. Approve the addition of budgets into the programme, matched by additional funding secured since the last report to cabinet.
2. Note the current monitoring position for the capital programme 2011–2021 for both the General Fund and Housing Investment Programme 2011–2016 as at the 30 June 2011 (Appendices A, B and D).
3. Note the additions into the programme of budgets relating to existing cabinet decisions and the movement of existing schemes between departments. (Appendix C).
4. Allocate the necessary capital resources to redevelop the area immediately in front of Peckham Rye Station, with the aim of reinstating the heritage of the station and to create new retail and other opportunities around the station to enhance the potential for the area, as requested by Council Assembly on 6 July 2011.



5. Bring forward the work on Seven Islands Leisure Centre by a year, to start in the 2014/15 financial year, as requested by council assembly on 6 July 2011.

## **BACKGROUND INFORMATION**

6. On 21 June cabinet recommended the capital programme 2011-21 to council assembly.
7. On 6 July 2011 council assembly agreed the capital programme for 2011-21, with three amendments. These were to use £50k of LPSA reward grant revenue funding for retaining school crossing patrols in 2011/12; that cabinet consider the allocation of the necessary capital resources to redevelop the area immediately in front of Peckham Rye Station; and to bring forward the work on Seven Islands Leisure Centre by a year, to start in the 2014/15 financial year. This agreed capital programme forms the basis of this Quarter 1 return to cabinet.

## **KEY ISSUES FOR CONSIDERATION**

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

8. The original expenditure budget for the general fund programme for 2011/12 of £119.5m has been increased by £3.3m to £122.8m. These additional budgets relate to: a children's services project at Cator Street; some additional grant funding in environment; and new Transport for London grant within regeneration and neighbourhoods. The current forecast expenditure for the year is showing a favourable variance of £1.2m. This relates to a reprofiling within the waste programme in environment; a delay on one of the travellers' site projects within the housing general fund programme; and a reprofiling of expenditure on the streetscape improvements programmes within regeneration and neighbourhoods.
9. The reprofiling of £1.2m of expenditure from 2011/12 into later years has reduced the forecast variance between expenditure and expected income to £11.8m. £800k of the resources funding this expenditure have also been reprofiled into later years, which explains the movement of the forecast variance of spend over financing for 2011/12 from £12.2m at the start of the year to the current position of £11.8m. The existing capital programme continues to be reviewed throughout the year to monitor the progress of schemes to identify those which will not achieve the level of spend anticipated at the start of the year, and at this stage the apparent 'over-programming' is not considered to be a cause for concern.
10. The total general fund programme for 2011-21 totals £366.1m (Appendices A and D). The total forecast available resources over this period are estimated to be £419.8m, an overall surplus of £53.7m. These surplus resources do not become available until the later half of the programme, from 2015/16 at the earliest.
11. The original budget of the housing investment programme for 2011/12 remains unchanged at £99.6m. However, £15.9m of expenditure has been reprofiled into later years giving a revised forecast expenditure of £83.7m. The reasons for the reprofiling of this expenditure are detailed in paragraph 58.

12. This monitor is projecting an overall general fund capital receipts of £221.7m. This position will continue to be monitored very closely by officers.
13. The commentary below on the latest monitoring position sets out the main achievements and potential issues arising by service department.

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

#### **General Fund (Appendices A and D)**

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

14. The overall capital programme for Children's Services 2011-21 totals £61.6m; this includes the additional £12.5m of new capital funding allocated in 2011/12 to Southwark for new school places and building maintenance. For the current financial year, the budget totals £15.0m; this takes into account additional budget for the refurbishment of Cator Street of £970k funded from earmarked reserves including Dedicated Schools Reserves. At this early stage in the year no variances are reported on the capital programme.
15. Two of the major schemes in the primary capital programme completing this year are: the new Michael Faraday school which has now opened and the rebuilt and the refurbished Eveline Lowe (now renamed Phoenix) primary school due to be operational September 2011. 4 Futures has been commissioned to commence design work on Southwark Park primary school, with completion anticipated in 2013. £12.5m remains allocated over 2011-14 to enable the relocation and enlargement of Cherry Garden Special and refurbishment of Gloucester Primary schools.
16. Over the summer holidays works are taking place at Alma, Goose Green and St Johns and St Clements primary schools to provide an additional 90 places in September 2011 to meet the increased demand for pupil places in the borough.
17. In addition, works that are starting over the summer school holidays include urgent heating works at Crawford primary school; various projects relating to the delivery of free healthy school meals and a scheme of works at Crampton primary school including a new build nursery and increasing capacity for future bulge class. Further, in early October work will start on new classroom at Haymerle school, which is increasing its capacity from increase in size from 64 to 72 pupils as part of its change of specialism from moderate learning difficulties to autism.

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

18. At this early stage in the year no variances are reported on the capital programme. The phase 2 schools that entered into contract in August 2010 are on target for their planned completion dates: works to Spa school are due to be completed in September 2011; St Thomas the Apostle college is due for phase 1 completion in January 2012 and phase 2 completion in September 2012; New School Aylesbury (NSA) is due for completion in April 2012 and works at Sacred Heart will commence once the school decants into NSA.
19. Bids are being developed for the phase 3 schools. Contract awards for St Saviour's & St Olave's, Notre Dame and Bredinghurst reached financial close in

July 2011. Contract awards for SILS KS3, St Michael's & All Angels and the co-located Highshore are expected to be made in December 2011.

20. Further discussions are being held with Partnerships for Schools in regard to updated pupil place planning data and secondary places provision for Rotherhithe and KS4.

### **Health and Community Services**

21. The Health and Community Services capital programme reprofiled £1.69m into 2011/12 for the Southwark Resource Centre (SRC) project. This is due to delays in completing the building as well as a retention fee payable 12 months after completion. For 2011/12 the SRC programme is estimated to spend £1.3m, with a forecast balance of £358k rolled into 2012/13. This forecast balance is based on present quotes and estimates and is to be taken with caution as they are subject to frequent fluctuations as more information, inspection or risk assessment reviews are available. Major building works are now complete, but some post completion works are still being undertaken and there is a one year period of retention that ends in June 2012.
22. There is a new Department of Health Capital Grant for 2011/12 of £818k, the "adult personal social services capital allocation" which is allocated using the total adult's 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.
23. The transformation in adult social care capital grant of £187k was rolled forward into 2011/12 and is earmarked for phase 2 of the Carefirst upgrade programme, which will occur in 2011/12. This budget was transferred to the finance and resource capital budget as the Carefirst upgrade project is being centrally managed.
24. There is a rolled forward residue from 2010/11 single capital pot mental health grant of £58k. This is being forecast to be fully utilised in 2011/12.

### **Regeneration and Neighbourhoods**

25. The capital budget for the department for 2011/12 has increased from £16.9m to £19.1m as a result of additional Transport for London (TfL) grant funded schemes. The forecast expenditure against this budget is showing a favourable variance of £705k due to reprofiling within the streetscape improvement projects.
26. The total capital budget over the 2011-2021 period has increased from £27.5m to £41.1m, of which £2.2m relates to the additional TfL grant in 2011/12; a further £800k of TfL schemes in 2012/13; £400k from new S106 allocations; and £10m relating to the new scheme at Peckham Rye station.
27. Economic development and strategic partnership (ED&SP) has forecast expenditure of £4.9m for 2011/12. The capital projects programmed for completion during the 2011/12 financial year include the Cathedral Steps environmental improvements and the Legible London way-finding system (working with colleagues in the public realm department). A number of projects are currently under development and due to start on site this financial year including St Mary Magdalene park improvements and St John's Churchyard.

With regard to the improving local retail environments (ILRE) scheme, 15 sites are currently under construction and the remaining nine sites are programmed to commence works in July 2011.

28. Following the spending review, TfL announced that the grant funding allocation for 2011/12 was to be reduced by a headline rate of 3%. For one element of the grant funding, the corridors neighbourhoods and supporting measures programme, this equated in real terms to a reduction in the capital allocation of 6.5%. The principal road renewal, major schemes and discretionary funding were however unaffected by this funding cut.
29. The planning and transport division have forecast expenditure of £3.5m in 2011/12. This is the first delivery year of the transport improvement programme which is the three year plan contained within the borough's transport plan. Key projects include delivery of improvement works in various locations across the borough including East Dulwich, Peckham Rye, West Walworth, Forest Hill, and Paxton Green amongst others. This will deliver improvements to bus journey time, road safety, improved access to town centres and aide the promotion of sustainable and active modes of transport.
30. The property services division have forecast expenditure of £9.9m in 2011/12, of which £6.3m relates to the Canada Water development, planned to complete this year. Consultation with local residents has now commenced on the delivery of a new community centre for Nunhead, the majority of the forecast spend to be achieved in 2011/12.
31. The office accommodation strategy has a capital budget of £10.7m 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 for disposal, with the receipts available to support capital priorities. Anticipated receipts generated from this programme are in excess of £11m and have been included within the receipt forecast figures funding the general fund capital programme and the housing investment programme. Preliminary works are underway on the first projects, and forecast expenditure of £3m is planned for this year
32. On 6 July 2011, council assembly requested that cabinet consider the allocation of the necessary capital resources to redevelop the area immediately in front of Peckham Rye Station, with the aim of reinstating the heritage of the station and to create new retail and other opportunities around the station to enhance the potential for the area. An initial sum of £10m has been allocated in the capital programme for this project, starting in 2015/16. The allocation and its profile are indicative figures and further work will be undertaken at a later date to work up more detailed proposals. These proposals will be the subject of a future report to cabinet, at which time more detailed cost information will be provided.

### **Environment Department**

33. The departmental capital review board scrutinised forecasts of all projects and their profiling to arrive at a more realistic estimate of expenditure for the year. Environment department's latest approved capital budget for 2011/12 is £118.9m against the projected spend of £118.9m. The overall forecast includes a small adverse variance of £16k on the Dulwich Leisure centre project in Culture,

Libraries, Learning and Leisure division. The virement to fund this variance will be determined during the course of the year when expenditure is finalised for some of the projects due for completion during the year. The progress of major schemes is outlined below.

### **Sustainable Services**

34. The Waste PFI contract has been running for three and a half 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 is 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. In addition, day to day service measures, such as missed collections and container deliveries are very good, with very few missed collections or other performance issues.
35. The construction of the new facility's road access and associated works are currently at a fairly advanced stage and is on track to be completed in time for the new facilities' operation. The commissioning of the new facilities will begin in the autumn and the site is expected to be fully operational during January 2012. The project is expected to be delivered within budget.
36. South East London Combined Heat & Power (SELCHP) Decentralised Energy Initiatives: Officers are currently working on heads of terms and financial model with Veolia. A project update will be provided to the cabinet in the autumn.

### **Public Realm**

37. The 2011/12 Cleaner Greener Safer (CGS) capital budget is £5.1m brought forward from previous years. The latest projection for 2011/12 indicates a total spend of £5.1m. However, following the reorganisation of the delivery team, this is being reviewed and any revisions in the projections will be reported in the 2nd quarter.
38. Non principal road programme is projected to deliver its programme within budget and time. The final programme was agreed by the cabinet member for transport, environment and recycling in August 2011.
39. Burgess Park Revitalisation Project: after an extended value engineering process, the contract sum was agreed in June 2011. The contractors started on site on the 20th June for a 30 week programme and anticipate completing in January 2012. The park is likely to remain closed until the grass has grown, which should be by March 2012. This is in line with the GLA funding agreements.

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

40. Dulwich Leisure Centre - phase 2 is now complete 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 centre opened to the public in June 2011 and the contract is now in the defects liability period.

41. Camberwell Leisure Centre - work on the refurbishment of the centre got underway in 2009. Total cost for the first two phases is projected to be £5.2m. Phase 1 of the Camberwell refurbishment included the new entrance, cafe, swimming pools and wetside changing rooms, and opened at the end of February 2011. The second phase (including the gym; dayside changing rooms; Warwick Hall and the youth facility) will open in late 2011 but the timing is subject to listed building consent being granted.
42. A third phase of refurbishment is planned for Camberwell Leisure Centre. Phase 3, with a total intended budget of £1.0m which will comprise the refurbishment of the sports hall. An amount of £521k was allocated to this project through the Capital Programme 2011-21 report. This will not, however, be committed until the outcome of the £493k bid being made by The Friends of Camberwell Baths to the Council's Olympic Legacy Fund is known, as a successful bid will increase the available budget. The announcement of successful bidders is scheduled for October 2011.
43. Pynners Sports Ground reinstatement works - A total budget of £600k has been allocated to this project, which is being managed by Property. Current estimated completion date is November 2011. Although there has been some delay to the project, it is still forecasted to come in on budget.
44. New Elephant & Castle Leisure Centre – Gateway reports totalling £1.9m have been signed off in order to progress the appointment of 4 Futures to undertake a design & planning submission.
45. Olympics legacy fund - a total amount of £2m was committed to this fund by the Capital Programme 2011-21 report agreed by council assembly in July 2011. Of this, £1.5m is profiled for 2011/12. Bids have been submitted and funds will be awarded to successful bidders during October 2011.

### **Housing General Fund**

46. The housing general fund programme totals £14.1m for investment in housing other than the council's own housing stock. The programme covers four main areas of activity.

#### **Renewal Areas**

47. The East Peckham renewal area group repair scheme, for the external improvement of private, council and housing association homes, has been approved and will start on site this summer. The scheme includes insulation works to some properties, attracting grant funding through the community energy saving programme (CESP).
48. Further energy saving works within the renewal area programme will also start this summer following survey work already carried out. These will provide solar heating to approximately 60 homes, for which GLA grant funding of £420k has been received.

### **Housing renewal**

49. It is assumed that central government funding for mandatory disabled facilities grants (DFGs), for which the council has an obligation to meet demand, will continue at the current level of £515k per year in support of this activity. The GLA is no longer awarding grant funding for improvement loans and empty homes grants, from which the programme has benefited in recent years.

### **Travellers' sites**

50. Works to improve the Burnhill travellers' site were completed in May. A small overspend is currently forecast, although the final account has yet to be agreed. If additional funding is required it is anticipated that this can be made available within the overall travellers' sites programme budget.
51. Following consultation on the scheme to improve the Springtide travellers' site, plans have been drawn up and submitted for consideration by residents. This scheme will use the balance of government funding received for this programme. Legal advice has been received regarding responsibility for the retaining wall at the Ilderton Road travellers' site, and Network Rail has been approached regarding the necessary works.

### **Affordable Housing Fund**

52. Following consultation, a planning application is awaited from the housing association developing the Ivydale Road site, following which the AHF contribution may need to be reassessed. Council contributions to the scheme are funded entirely from developer S106 contributions.

### **Finance & Resources**

53. The facilities management (FM) overall forecasts for property works programme (PWP) and works to council buildings (DDA Programme) remain on budget. £140k final instalment of Tooley Street retention monies and PWP works are forecast to complete in the current year.
54. The addition of the Carefirst upgrade programme to the information and data services division (IDSD) programme has increased current year budgets by £645k. Although none of this has been spent to date, it is forecast that spend will be on target for the current year.

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

55. The draft 5-year programme approved by cabinet on 31 May included capital expenditure of £414.8m, which figure has since increased by approximately £2.3m overall. The main changes are within the warm, dry, safe programme, where budget allocations have been revised between expenditure headings to reflect the detail of the 5 year draft programme in the appendix to that report. There is an increased requirement of £4.6m for fire safety works in 2012/13 (reducing to £3.5m over 5 years), for which additional revenue resources have been identified.

56. Expenditure of £16m has been reprofiled from 2011/12 into 2012/13 and 2013/14 in the overall programme forecast. The majority of this (£10.2m) is in the warm dry safe programme, and is due to a combination of factors. Existing schemes have been resurveyed in line with the revised warm, dry and safe standards agreed, while specifications for fire safety works have been revised to meet fire brigade and building control requirements. A date is still awaited for the Leasehold Valuation Tribunal hearing relating to the partnering contracts, pending which it is not possible to bring forward new schemes.
57. With the demise of the PFI the Aylesbury PPM programme is to be redrawn, with £2.5m reprofiled into future years. There is also reprofiling of £1.2m on the scheme for drainage improvements and environmental works at East Dulwich Estate, for which a joint planning application together with the new build scheme is expected. Fire reinstatement works are due to begin soon at Sumner Road, following delays leading to the reprofiling of £1.3m of expenditure. Revised estimates for these works are £277k less than previously anticipated, while insurance contributions are £300k more, although these are still the subject of negotiations with the council's insurers.
58. The forecast cost of the remaining lease repurchases for Heygate remains at £300k less than budget, although the full budget provision will be retained at this stage as the final figure depends on valuations yet to be agreed. It is estimated that the provision for digital switchover will not be required in full, with savings of up to £600k. The provision required for major voids is forecast to reduce by £687k this year following approval of the revised disposal criteria which may result in fewer properties for inclusion in the programme.
59. Forecast resources to fund HIP expenditure have been adjusted in line with revised estimates. Revised calculations for the level of major repairs allowance (MRA) due to the council have resulted in an estimated increase of approximately £2.8m over the 5 year programme. The anticipated level of new homes bonus due to housing has been revised in line with figures in the Capital Programme 2011-21 report, an overall increase of £846k. The forecast level of Social Housing Grant linked to the sale of Aylesbury sites has been reduced following clarification of how this is accounted for - approximately £3m of the amount previously forecast has already been received. Other adjustments reflect the increases for fire safety and reinstatement works referred to above.

### **Community impact statement**

60. 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**

61. The Capital Programme 2011-2021 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.



62. 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 monitoring working papers | 160 Tooley Street,<br>London SE1 2QH | Le Cheung<br>020 7525 4300 |

#### APPENDICES

| No.        | Title                                |
|------------|--------------------------------------|
| Appendix A | General fund summary                 |
| Appendix B | Housing investment programme summary |
| Appendix C | Funded variations                    |
| Appendix D | General fund programme details       |

#### 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>                                                            | Jennifer Seeley, Deputy Finance Director                                |                          |
| <b>Version</b>                                                                  | Final                                                                   |                          |
| <b>Dated</b>                                                                    | 8 September 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                                                                | N/A                                                                     | N/A                      |
| <b>Cabinet Member</b>                                                           | Yes                                                                     | Yes                      |
| <b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b> | 8 September 2011                                                        |                          |

| Department                                                 | 2011/12        |                  |                   |                |               |                           |                |                | 2012/13        |                  |                   |                |                |            |
|------------------------------------------------------------|----------------|------------------|-------------------|----------------|---------------|---------------------------|----------------|----------------|----------------|------------------|-------------------|----------------|----------------|------------|
|                                                            | Agreed Budget  | Budget Virements | Budget Variations | Revised Budget | Spend to date | Projected spend remaining | Forecast       | Variance       | Agreed Budget  | Budget Virements | Budget Variations | Revised Budget | Forecast       | Variance   |
|                                                            | £'000          | £'000            | £'000             | £'000          | £'000         | £'000                     | £'000          | £'000          | £'000          | £'000            | £'000             | £'000          | £'000          | £'000      |
| Children's Services                                        | 14,059         | 0                | 970               | 15,029         | 1,698         | 13,331                    | 15,029         | 0              | 26,766         | 0                | 0                 | 26,766         | 26,766         | 0          |
| Southwark Schools for the Future                           | 48,559         | 0                | 0                 | 48,559         | 7,738         | 40,821                    | 48,559         | 0              | 56,548         | 0                | 0                 | 56,548         | 56,548         | 0          |
| Finance and Resources                                      | 3,513          | 0                | 0                 | 3,513          | 62            | 3,451                     | 3,513          | 0              | 2,713          | 0                | 0                 | 2,713          | 2,713          | 0          |
| Environment                                                | 27,948         | 0                | 66                | 28,014         | 3,549         | 24,230                    | 27,779         | (235)          | 22,515         | 0                | 0                 | 22,515         | 22,515         | 0          |
| Health and Community Services                              | 2,209          | 0                | 0                 | 2,209          | 130           | 2,079                     | 2,209          | 0              | 1,195          | 0                | 0                 | 1,195          | 1,195          | 0          |
| Housing General Fund                                       | 6,318          | 0                | 0                 | 6,318          | 791           | 5,252                     | 6,043          | (275)          | 3,355          | 0                | 0                 | 3,355          | 3,477          | 122        |
| Regeneration and Neighbourhoods                            | 16,917         | 0                | 2,233             | 19,150         | 2,184         | 16,261                    | 18,445         | (705)          | 7,461          | 0                | 1,304             | 8,765          | 9,470          | 705        |
| <b>TOTAL</b>                                               | <b>119,523</b> | <b>0</b>         | <b>3,269</b>      | <b>122,792</b> | <b>16,152</b> | <b>105,425</b>            | <b>121,577</b> | <b>(1,215)</b> | <b>120,553</b> | <b>0</b>         | <b>1,304</b>      | <b>121,857</b> | <b>122,684</b> | <b>827</b> |
| <b>FINANCED BY:</b>                                        |                |                  |                   |                |               |                           |                |                |                |                  |                   |                |                |            |
| Corporate Resource Pool                                    | 27,684         | 0                | 0                 | 27,684         | 5,738         | 21,946                    | 27,684         | 0              | 45,000         | 0                | 0                 | 45,000         | 45,000         | 0          |
| Payback of Housing Receipts                                | 0              | 0                | 0                 | 0              | 0             | 0                         | 0              | 0              | (1,883)        | 0                | 0                 | (1,883)        | (1,883)        | 0          |
| General fund Contribution to HIP                           | 0              | 0                | 0                 | 0              | 0             | 0                         | 0              | 0              | (5,768)        | 0                | 0                 | (5,768)        | (5,768)        | 0          |
| Major Repairs Allowance                                    | 0              | 0                | 0                 | 0              | 0             | 0                         | 0              | 0              | 0              | 0                | 0                 | 0              | 0              | 0          |
| Supported Borrowing                                        | 0              | 0                | 0                 | 0              | 0             | 0                         | 0              | 0              | 0              | 0                | 0                 | 0              | 0              | 0          |
| Reserves & Revenue                                         | 1,365          | 0                | 1,004             | 2,369          | 222           | 2,147                     | 2,369          | 0              | 2,906          | 0                | 0                 | 2,906          | 2,906          | 0          |
| SSF Capital Grant                                          | 46,576         | 0                | 0                 | 46,576         | 7,738         | 38,838                    | 46,576         | 0              | 48,742         | 0                | 0                 | 48,742         | 48,742         | 0          |
| Capital Grants                                             | 15,973         | 0                | 1,951             | 17,924         | 1,840         | 16,001                    | 17,841         | (83)           | 9,364          | 0                | 1,264             | 10,628         | 10,711         | 83         |
| LPSA Reward grant - capital                                | 4,084          | 0                | 0                 | 4,084          | 0             | 4,084                     | 4,084          | 0              | 0              | 0                | 0                 | 0              | 0              | 0          |
| New Homes Bonus                                            | 1,090          | 0                | 0                 | 1,090          | 0             | 1,090                     | 1,090          | 0              | 3,436          | 0                | 0                 | 3,436          | 3,436          | 0          |
| Section 106 Funds - unallocated                            | 5,052          | 0                | 0                 | 5,052          | 0             | 5,052                     | 5,052          | 0              | 663            | 0                | 0                 | 663            | 663            | 0          |
| Section 106 Funds - allocated                              | 5,303          | 0                | 358               | 5,661          | 591           | 4,365                     | 4,956          | (705)          | 1,761          | 0                | 40                | 1,801          | 2,506          | 705        |
| External Contributions                                     | 207            | 0                | (44)              | 163            | 23            | 140                       | 163            | 0              | 1,548          | 0                | 0                 | 1,548          | 1,548          | 0          |
| <b>TOTAL RESOURCES</b>                                     | <b>107,334</b> | <b>0</b>         | <b>3,269</b>      | <b>110,603</b> | <b>16,152</b> | <b>93,663</b>             | <b>109,815</b> | <b>(788)</b>   | <b>105,769</b> | <b>0</b>         | <b>1,304</b>      | <b>107,073</b> | <b>107,861</b> | <b>788</b> |
| <b>Forecast variation (under)/over Cumulative position</b> | <b>12,189</b>  | <b>0</b>         | <b>0</b>          | <b>12,189</b>  | <b>0</b>      | <b>11,762</b>             | <b>11,762</b>  | <b>(427)</b>   | <b>14,784</b>  | <b>0</b>         | <b>0</b>          | <b>14,784</b>  | <b>14,823</b>  | <b>39</b>  |

General Fund Capital Programme Summary – 2011/12 at Quarter 1

Appendix A

| Department                             | 2013/14+        |                  |                   |                 |                 |            | Total Programme 2011/12 - 20/21  |                  |                   |                 |                 |                |
|----------------------------------------|-----------------|------------------|-------------------|-----------------|-----------------|------------|----------------------------------|------------------|-------------------|-----------------|-----------------|----------------|
|                                        | Agreed Budget   | Budget Virements | Budget Variations | Revised Budget  | Forecast        | Variance   | Total Agreed Budget @ 01/04/2011 | 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                    | 19,813          | 0                | 0                 | 19,813          | 19,813          | 0          | 60,638                           | 0                | 970               | 61,608          | 61,608          | 0              |
| Southwark Schools for the Future       | 10,810          | 0                | 0                 | 10,810          | 10,810          | 0          | 115,917                          | 0                | 0                 | 115,917         | 115,917         | 0              |
| Finance and Resources                  | 4,858           | 0                | 0                 | 4,858           | 4,858           | 0          | 11,084                           | 0                | 0                 | 11,084          | 11,084          | 0              |
| Environment                            | 68,340          | 0                | 0                 | 68,340          | 68,590          | 250        | 118,803                          | 0                | 66                | 118,869         | 118,884         | 15             |
| Health and Community Services          | 0               | 0                | 0                 | 0               | 0               | 0          | 3,404                            | 0                | 0                 | 3,404           | 3,404           | 0              |
| Housing General Fund                   | 3,948           | 0                | 515               | 4,463           | 4,616           | 153        | 13,621                           | 0                | 515               | 14,136          | 14,136          | 0              |
| Regeneration and Neighbourhoods        | 3,154           | 0                | 10,000            | 13,154          | 13,154          | 0          | 27,532                           | 0                | 13,537            | 41,069          | 41,069          | 0              |
| <b>TOTAL</b>                           | <b>110,923</b>  | <b>0</b>         | <b>10,515</b>     | <b>121,438</b>  | <b>121,841</b>  | <b>403</b> | <b>350,999</b>                   | <b>0</b>         | <b>15,088</b>     | <b>366,087</b>  | <b>366,102</b>  | <b>15</b>      |
| <b>FINANCED BY:</b>                    |                 |                  |                   |                 |                 |            |                                  |                  |                   |                 |                 |                |
| Corporate Resource Pool                | 149,000         | 0                | 0                 | 149,000         | 149,000         | 0          | 221,684                          | 0                | 0                 | 221,684         | 221,684         | 0              |
| Payback of Housing Receipts            | (3,766)         | 0                | 0                 | (3,766)         | (3,766)         | 0          | (5,649)                          | 0                | 0                 | (5,649)         | (5,649)         | 0              |
| General fund Contribution to HIP       | (5,000)         | 0                | 0                 | (5,000)         | (5,000)         | 0          | (10,768)                         | 0                | 0                 | (10,768)        | (10,768)        | 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               | 0               | 0              |
| Reserves & Revenue                     | 0               | 0                | 0                 | 0               | 0               | 0          | 4,271                            | 0                | 1,004             | 5,275           | 5,275           | 0              |
| SSF Capital Grant                      | 6,095           | 0                | 0                 | 6,095           | 6,095           | 0          | 101,413                          | 0                | 0                 | 101,413         | 101,413         | 0              |
| Capital Grants                         | 10,697          | 0                | 515               | 11,212          | 11,212          | 0          | 36,034                           | 0                | 3,730             | 39,764          | 39,764          | 0              |
| LPSA Reward grant - capital            | 0               | 0                | 0                 | 0               | 0               | 0          | 4,084                            | 0                | 0                 | 4,084           | 4,084           | 0              |
| New Homes Bonus                        | 37,206          | 0                | 0                 | 37,206          | 37,206          | 0          | 41,732                           | 0                | 0                 | 41,732          | 41,732          | 0              |
| Section 106 Funds - unallocated        | 6,845           | 0                | 0                 | 6,845           | 6,845           | 0          | 12,560                           | 0                | 0                 | 12,560          | 12,560          | 0              |
| Section 106 Funds - allocated          | 0               | 0                | 0                 | 0               | 0               | 0          | 7,064                            | 0                | 398               | 7,462           | 7,462           | 0              |
| External Contributions                 | 500             | 0                | 0                 | 500             | 500             | 0          | 2,255                            | 0                | (44)              | 2,211           | 2,211           | 0              |
| <b>TOTAL RESOURCES</b>                 | <b>201,577</b>  | <b>0</b>         | <b>515</b>        | <b>202,092</b>  | <b>202,092</b>  | <b>0</b>   | <b>414,680</b>                   | <b>0</b>         | <b>5,088</b>      | <b>419,768</b>  | <b>419,768</b>  | <b>0</b>       |
| <b>Forecast variation (under)/over</b> | <b>(90,654)</b> | <b>0</b>         | <b>10,000</b>     | <b>(80,654)</b> | <b>(80,251)</b> | <b>403</b> | <b>(63,681)</b>                  | <b>0</b>         | <b>10,000</b>     | <b>(53,681)</b> | <b>(53,666)</b> | <b>15</b>      |
| <b>Cumulative position</b>             |                 |                  |                   |                 |                 |            |                                  |                  |                   |                 |                 |                |

77

| Programme                  | Project description                      | 2011/12                       |                  |                   |                |               |                           |          |          | 2012/13       |                  |                   |                |          |          |
|----------------------------|------------------------------------------|-------------------------------|------------------|-------------------|----------------|---------------|---------------------------|----------|----------|---------------|------------------|-------------------|----------------|----------|----------|
|                            |                                          | Agreed Budget                 | Budget Virements | Budget Variations | Revised Budget | Spend to date | Projected spend remaining | Forecast | Variance | Agreed Budget | Budget Virements | Budget Variations | Revised Budget | Forecast | Variance |
|                            |                                          | £'000                         | £'000            | £'000             | £'000          | £'000         | £'000                     | £'000    | £'000    | £'000         | £'000            | £'000             | £'000          | £'000    | £'000    |
| Warm dry and safe          | Central heating - communal               | 3,193                         | 0                | 0                 | 3,193          | 189           | 2,644                     | 2,833    | (360)    | 1,436         | 0                | 0                 | 1,436          | 3,398    | 1,962    |
|                            | Central heating - individual             | 4,251                         | 0                | 0                 | 4,251          | 0             | 4,012                     | 4,012    | (239)    | 0             | 0                | 0                 | 0              | 4,000    | 4,000    |
|                            | Energy efficiency (heating plant)        | 1,254                         | 0                | 0                 | 1,254          | 120           | 311                       | 431      | (823)    | 0             | 0                | 0                 | 0              | 823      | 823      |
|                            | Energy efficiency (wall/loft insulation) | 1,103                         | 0                | 0                 | 1,103          | 0             | 450                       | 450      | (653)    | 200           | 0                | 0                 | 200            | 853      | 653      |
|                            | Entryphones                              | 256                           | 0                | 0                 | 256            | 0             | 22                        | 22       | (234)    | 309           | 0                | 0                 | 309            | 3        | (306)    |
|                            | Fire safety                              | 16,176                        | 0                | 0                 | 16,176         | 659           | 15,492                    | 16,151   | (25)     | 2,149         | 0                | 0                 | 2,149          | 6,735    | 4,586    |
|                            | Lifts                                    | 2,538                         | 0                | 0                 | 2,538          | 74            | 3,250                     | 3,324    | 786      | 2,500         | 0                | 0                 | 2,500          | 2,560    | 60       |
|                            | Major works                              | 32,000                        | 0                | 0                 | 32,000         | 1,594         | 20,921                    | 22,515   | (9,485)  | 42,000        | 0                | 0                 | 42,000         | 44,583   | 2,583    |
|                            | Minor voids capitalisation               | 3,000                         | 0                | 0                 | 3,000          | 0             | 3,000                     | 3,000    | 0        | 3,000         | 0                | 0                 | 3,000          | 3,000    | 0        |
|                            | Minor voids WDS works                    | 1,000                         | 0                | 0                 | 1,000          | 0             | 1,000                     | 1,000    | 0        | 1,000         | 0                | 0                 | 1,000          | 1,000    | 0        |
|                            | Rewiring                                 | 1,362                         | 0                | 0                 | 1,362          | 261           | 1,889                     | 2,150    | 788      | 3,604         | 0                | 0                 | 3,604          | 500      | (3,104)  |
|                            | Tanks/tank rooms refurbishment           | 104                           | 0                | 0                 | 104            | 37            | 67                        | 104      | 0        | 1,900         | 0                | 0                 | 1,900          | 12       | (1,888)  |
|                            | Regeneration                             | Aylesbury phase 1 (incl. PCs) | 5,228            | 0                 | 0              | 5,228         | 1                         | 5,227    | 5,228    | 0             | 9,404            | 0                 | 0              | 9,404    | 9,404    |
| Aylesbury future phases    |                                          | 0                             | 0                | 0                 | 0              | 0             | 0                         | 0        | 0        | 0             | 0                | 0                 | 0              | 0        | 0        |
| Aylesbury PPM              |                                          | 4,922                         | 0                | 0                 | 4,922          | 3             | 2,423                     | 2,426    | (2,496)  | 2,833         | 0                | 0                 | 2,833          | 5,998    | 3,165    |
| Bermondsey Spa refurb      |                                          | 2,037                         | 0                | 0                 | 2,037          | 269           | 1,689                     | 1,958    | (79)     | 84            | 0                | 0                 | 84             | 100      | 16       |
| East Dulwich Estate        |                                          | 3,454                         | 0                | 0                 | 3,454          | 46            | 2,161                     | 2,207    | (1,247)  | 936           | 0                | 0                 | 936            | 2,255    | 1,319    |
| Elmington                  |                                          | 646                           | 0                | 0                 | 646            | 0             | 646                       | 646      | 0        | 2,681         | 0                | 0                 | 2,681          | 2,681    | 0        |
| Giles Carton Darnay        |                                          | 36                            | 0                | 0                 | 36             | 0             | 36                        | 36       | 0        | 0             | 0                | 0                 | 0              | 0        | 0        |
| Heygate Estate (incl. PCs) |                                          | 3,932                         | 0                | 0                 | 3,932          | 914           | 3,218                     | 4,132    | 200      | 2,751         | 0                | 0                 | 2,751          | 2,250    | (501)    |
| Hidden homes               |                                          | 91                            | 0                | 0                 | 91             | 5             | 86                        | 91       | 0        | 301           | 0                | 0                 | 301            | 301      | 0        |
| Home loss payments         |                                          | 230                           | 0                | 0                 | 230            | 98            | 132                       | 230      | 0        | 200           | 0                | 0                 | 200            | 200      | 0        |
| Hostel new build           |                                          | 136                           | 0                | 0                 | 136            | 0             | 136                       | 136      | 0        | 1,364         | 0                | 0                 | 1,364          | 1,364    | 0        |
| Local Authority New Build  |                                          | 3,093                         | 0                | 0                 | 3,093          | 10            | 3,083                     | 3,093    | 0        | 102           | 0                | 0                 | 102            | 102      | 0        |
| Maydew House               |                                          | 1,846                         | 0                | 0                 | 1,846          | 152           | 1,694                     | 1,846    | 0        | 0             | 0                | 0                 | 0              | 0        | 0        |

| Programme              | Project description                    | 2011/12       |                  |                   |                |               |                           |               |                 | 2012/13       |                  |                   |                |               |               |
|------------------------|----------------------------------------|---------------|------------------|-------------------|----------------|---------------|---------------------------|---------------|-----------------|---------------|------------------|-------------------|----------------|---------------|---------------|
|                        |                                        | Agreed Budget | Budget Virements | Budget Variations | Revised Budget | Spend to date | Projected spend remaining | Forecast      | Variance        | Agreed Budget | Budget Virements | Budget Variations | Revised Budget | Forecast      | Variance      |
|                        |                                        | £'000         | £'000            | £'000             | £'000          | £'000         | £'000                     | £'000         | £'000           | £'000         | £'000            | £'000             | £'000          | £'000         | £'000         |
| Other programmes       | Adaptations                            | 1,965         | 0                | 0                 | 1,965          | 573           | 1,392                     | 1,965         | 0               | 2,000         | 0                | 0                 | 2,000          | 2,000         | 0             |
|                        | Group repairs                          | 500           | 0                | 0                 | 500            | 18            | 482                       | 500           | 0               | 471           | 0                | 0                 | 471            | 73            | (398)         |
|                        | Capitalisation of scheme management    | 1,600         | 0                | 0                 | 1,600          | 0             | 1,600                     | 1,600         | 0               | 1,600         | 0                | 0                 | 1,600          | 1,600         | 0             |
|                        | Cash incentive scheme                  | 276           | 0                | 0                 | 276            | 25            | 251                       | 276           | 0               | 368           | 0                | 0                 | 368            | 366           | (2)           |
|                        | Community Housing Services (hostels)   | 1,172         | 0                | 0                 | 1,172          | 0             | 1,206                     | 1,206         | 34              | 1,034         | 0                | 0                 | 1,034          | 1,000         | (34)          |
|                        | Digital switchover                     | 1,600         | 0                | 0                 | 1,600          | 256           | 1,344                     | 1,600         | 0               | 1,200         | 0                | 0                 | 1,200          | 600           | (600)         |
|                        | Disposals                              | 500           | 0                | 0                 | 500            | 14            | 505                       | 519           | 19              | 500           | 0                | 0                 | 500            | 500           | 0             |
|                        | Fire reinstatement                     | 2,900         | 0                | 0                 | 2,900          | 32            | 1,616                     | 1,648         | (1,252)         | 100           | 0                | 0                 | 100            | 1,131         | 1,031         |
|                        | Lakanal/Sumner buy-backs and home loss | 134           | 0                | 0                 | 134            | 0             | 134                       | 134           | 0               | 0             | 0                | 0                 | 0              | 0             | 0             |
|                        | Leasehold/freehold acquisitions        | 311           | 0                | 0                 | 311            | 0             | 300                       | 300           | (11)            | 300           | 0                | 0                 | 300            | 300           | 0             |
|                        | Major voids                            | 1,903         | 0                | 0                 | 1,903          | 362           | 920                       | 1,282         | (621)           | 1,601         | 0                | 0                 | 1,601          | 1,536         | (65)          |
|                        | Misc                                   | 120           | 0                | 0                 | 120            | (12)          | 95                        | 83            | (37)            | 143           | 0                | 0                 | 143            | 50            | (93)          |
|                        | Office accommodation                   | 465           | 0                | 0                 | 465            | 25            | 407                       | 432           | (33)            | 200           | 0                | 0                 | 200            | 200           | 0             |
|                        | Play areas / environmental             | 100           | 0                | 0                 | 100            | 100           | 0                         | 100           | 0               | 0             | 0                | 0                 | 0              | 0             | 0             |
|                        | Sheltered housing                      | 1,210         | 0                | 0                 | 1,210          | 227           | 874                       | 1,101         | (109)           | 63            | 0                | 0                 | 63             | 46            | (17)          |
|                        | T&RA halls                             | 304           | 0                | 0                 | 304            | 0             | 304                       | 304           | 0               | 305           | 0                | 0                 | 305            | 298           | (7)           |
|                        |                                        |               |                  |                   |                |               |                           |               |                 | 0             |                  |                   |                |               |               |
| Adjustment             | Expenditure in revenue                 | (7,394)       | 0                | 0                 | (7,394)        | (41)          | (7,354)                   | (7,395)       | (1)             | (7,394)       | 0                | 0                 | (7,394)        | (7,394)       | 0             |
| <b>TOTAL</b>           |                                        | <b>99,554</b> | <b>0</b>         | <b>0</b>          | <b>99,554</b>  | <b>6,011</b>  | <b>77,665</b>             | <b>83,676</b> | <b>(15,878)</b> | <b>81,245</b> | <b>0</b>         | <b>0</b>          | <b>81,245</b>  | <b>94,428</b> | <b>13,183</b> |
| <b>FINANCED BY:</b>    |                                        |               |                  |                   |                |               |                           |               |                 |               |                  |                   |                |               |               |
|                        | Corporate Resource Pool                | 0             | 0                | 0                 | 0              | 0             | 0                         | 0             | 0               | 5,866         | 0                | 0                 | 5,866          | 5,857         | (9)           |
|                        | Housing receipts                       | 44,000        | 0                | 0                 | 44,000         | 3,000         | 37,077                    | 40,077        | (3,923)         | 23,883        | 0                | 0                 | 23,883         | 27,883        | 4,000         |
|                        | Major Repairs Allowance                | 44,189        | 0                | 0                 | 44,189         | 2,540         | 36,649                    | 39,189        | (5,000)         | 41,973        | 0                | 0                 | 41,973         | 47,350        | 5,377         |
|                        | Supported Borrowing                    | 0             | 0                | 0                 | 0              | 0             | 0                         | 0             | 0               | 0             | 0                | 0                 | 0              | 0             | 0             |
|                        | Reserves & Revenue                     | 5,747         | 0                | 300               | 6,047          | 0             | 172                       | 172           | (5,875)         | 4,699         | 0                | 65                | 4,764          | 10,228        | 5,464         |
|                        | Capital Grants                         | 2,826         | 0                | (300)             | 2,526          | 370           | 1,719                     | 2,089         | (437)           | 401           | 0                | (65)              | 336            | 763           | 427           |
|                        | Section 106 Funds                      | 322           | 0                | 0                 | 322            | 100           | 126                       | 226           | (96)            | 31            | 0                | 0                 | 31             | 53            | 22            |
|                        | External Contributions                 | 2,470         | 0                | 0                 | 2,470          | 1             | 1,922                     | 1,923         | (547)           | 4,392         | 0                | 0                 | 4,392          | 2,294         | (2,098)       |
|                        |                                        |               |                  |                   |                |               |                           |               |                 |               |                  |                   |                |               |               |
| <b>TOTAL RESOURCES</b> |                                        | <b>99,554</b> | <b>0</b>         | <b>0</b>          | <b>99,554</b>  | <b>6,011</b>  | <b>77,665</b>             | <b>83,676</b> | <b>(15,878)</b> | <b>81,245</b> | <b>0</b>         | <b>0</b>          | <b>81,245</b>  | <b>94,428</b> | <b>13,183</b> |

| Programme                  | Project description                      | 2013/14+                      |                  |                   |                |          | Total Programme 2011/12 - 18/19 |                                  |                  |                   |                |                |                |
|----------------------------|------------------------------------------|-------------------------------|------------------|-------------------|----------------|----------|---------------------------------|----------------------------------|------------------|-------------------|----------------|----------------|----------------|
|                            |                                          | Agreed Budget                 | Budget Virements | Budget Variations | Revised Budget | Forecast | Variance                        | Total Agreed Budget @ 01/04/2011 | Budget Virements | Budget Variations | Revised Budget | Total Forecast | Total Variance |
|                            |                                          | £'000                         | £'000            | £'000             | £'000          | £'000    | £'000                           | £'000                            | £'000            | £'000             | £'000          | £'000          | £'000          |
| Warm dry and safe          | Central heating - communal               | 3,000                         | 0                | 0                 | 3,000          | 5,659    | 2,659                           | 7,629                            | 0                | 0                 | 7,629          | 11,890         | 4,261          |
|                            | Central heating - individual             | 14,400                        | 0                | 0                 | 14,400         | 13,600   | (800)                           | 18,651                           | 0                | 0                 | 18,651         | 21,612         | 2,961          |
|                            | Energy efficiency (heating plant)        | 600                           | 0                | 0                 | 600            | 400      | (200)                           | 1,854                            | 0                | 0                 | 1,854          | 1,654          | (200)          |
|                            | Energy efficiency (wall/loft insulation) | 0                             | 0                | 0                 | 0              | 200      | 200                             | 1,303                            | 0                | 0                 | 1,303          | 1,503          | 200            |
|                            | Entryphones                              | 900                           | 0                | 0                 | 900            | 600      | (300)                           | 1,465                            | 0                | 0                 | 1,465          | 625            | (840)          |
|                            | Fire safety                              | 3,300                         | 0                | 0                 | 3,300          | 2,200    | (1,100)                         | 21,625                           | 0                | 0                 | 21,625         | 25,086         | 3,461          |
|                            | Lifts                                    | 9,000                         | 0                | 0                 | 9,000          | 7,780    | (1,220)                         | 14,038                           | 0                | 0                 | 14,038         | 13,664         | (374)          |
|                            | Major works                              | 150,000                       | 0                | 0                 | 150,000        | 156,893  | 6,893                           | 224,000                          | 0                | 0                 | 224,000        | 223,991        | (9)            |
|                            | Minor voids capitalisation               | 9,000                         | 0                | 0                 | 9,000          | 9,000    | 0                               | 15,000                           | 0                | 0                 | 15,000         | 15,000         | 0              |
|                            | Minor voids WDS works                    | 3,000                         | 0                | 0                 | 3,000          | 3,000    | 0                               | 5,000                            | 0                | 0                 | 5,000          | 5,000          | 0              |
|                            | Rewiring                                 | 6,000                         | 0                | 0                 | 6,000          | 6,300    | 300                             | 10,966                           | 0                | 0                 | 10,966         | 8,950          | (2,016)        |
|                            | Tanks/tank rooms refurbishment           | 3,000                         | 0                | 0                 | 3,000          | 2,000    | (1,000)                         | 5,004                            | 0                | 0                 | 5,004          | 2,116          | (2,888)        |
|                            | Regeneration                             | Aylesbury phase 1 (incl. PCs) | 12,077           | 0                 | 0              | 12,077   | 12,077                          | 0                                | 26,709           | 0                 | 0              | 26,709         | 26,709         |
| Aylesbury future phases    |                                          | 9,000                         | 0                | 0                 | 9,000          | 9,000    | 0                               | 9,000                            | 0                | 0                 | 9,000          | 9,000          | 0              |
| Aylesbury PPM              |                                          | 2,597                         | 0                | 0                 | 2,597          | 1,838    | (759)                           | 10,352                           | 0                | 0                 | 10,352         | 10,262         | (90)           |
| Bermondsey Spa refurb      |                                          | 0                             | 0                | 0                 | 0              | 0        | 0                               | 2,121                            | 0                | 0                 | 2,121          | 2,058          | (63)           |
| East Dulwich Estate        |                                          | 0                             | 0                | 0                 | 0              | 0        | 0                               | 4,390                            | 0                | 0                 | 4,390          | 4,462          | 72             |
| Elmington                  |                                          | 1,467                         | 0                | 0                 | 1,467          | 1,467    | 0                               | 4,794                            | 0                | 0                 | 4,794          | 4,794          | 0              |
| Giles Carton Damay         |                                          | 0                             | 0                | 0                 | 0              | 0        | 0                               | 36                               | 0                | 0                 | 36             | 36             | 0              |
| Heygate Estate (incl. PCs) |                                          | 0                             | 0                | 0                 | 0              | 0        | 0                               | 6,683                            | 0                | 0                 | 6,683          | 6,382          | (301)          |
| Hidden homes               |                                          | 700                           | 0                | 0                 | 700            | 700      | 0                               | 1,092                            | 0                | 0                 | 1,092          | 1,092          | 0              |
| Home loss payments         |                                          | 600                           | 0                | 0                 | 600            | 600      | 0                               | 1,030                            | 0                | 0                 | 1,030          | 1,030          | 0              |
| Hostel new build           |                                          | 3,000                         | 0                | 0                 | 3,000          | 3,000    | 0                               | 4,500                            | 0                | 0                 | 4,500          | 4,500          | 0              |
| Local Authority New Build  |                                          | 0                             | 0                | 0                 | 0              | 0        | 0                               | 3,195                            | 0                | 0                 | 3,195          | 3,195          | 0              |
| Maydew House               |                                          | 0                             | 0                | 0                 | 0              | 0        | 0                               | 1,846                            | 0                | 0                 | 1,846          | 1,846          | 0              |

# Housing Investment Programme

# Appendix B (ii)

| Programme              | Project description                    | 2013/14+       |                  |                   |                |                | Total Programme 2011/12 - 18/19 |                                  |                  |                   |                |                |                |
|------------------------|----------------------------------------|----------------|------------------|-------------------|----------------|----------------|---------------------------------|----------------------------------|------------------|-------------------|----------------|----------------|----------------|
|                        |                                        | Agreed Budget  | Budget Virements | Budget Variations | Revised Budget | Forecast       | Variance                        | Total Agreed Budget @ 01/04/2011 | Budget Virements | Budget Variations | Revised Budget | Total Forecast | Total Variance |
|                        |                                        | £'000          | £'000            | £'000             | £'000          | £'000          | £'000                           | £'000                            | £'000            | £'000             | £'000          | £'000          | £'000          |
| Other programmes       | Adaptations                            | 6,000          | 0                | 0                 | 6,000          | 6,000          | 0                               | 9,965                            | 0                | 0                 | 9,965          | 9,965          | 0              |
|                        | Group repairs                          | 0              | 0                | 0                 | 0              | 398            | 398                             | 971                              | 0                | 0                 | 971            | 971            | 0              |
|                        | Capitalisation of scheme management    | 4,800          | 0                | 0                 | 4,800          | 4,800          | 0                               | 8,000                            | 0                | 0                 | 8,000          | 8,000          | 0              |
|                        | Cash incentive scheme                  | 900            | 0                | 0                 | 900            | 856            | (44)                            | 1,544                            | 0                | 0                 | 1,544          | 1,498          | (46)           |
|                        | Community Housing Services (hostels)   | 2,400          | 0                | 0                 | 2,400          | 2,400          | 0                               | 4,606                            | 0                | 0                 | 4,606          | 4,606          | 0              |
|                        | Digital switchover                     | 0              | 0                | 0                 | 0              | 0              | 0                               | 2,800                            | 0                | 0                 | 2,800          | 2,200          | (600)          |
|                        | Disposals                              | 1,500          | 0                | 0                 | 1,500          | 1,500          | 0                               | 2,500                            | 0                | 0                 | 2,500          | 2,519          | 19             |
|                        | Fire reinstatement                     | 600            | 0                | 0                 | 600            | 544            | (56)                            | 3,600                            | 0                | 0                 | 3,600          | 3,323          | (277)          |
|                        | Lakanal/Sumner buy-backs and home loss | 0              | 0                | 0                 | 0              | 0              | 0                               | 134                              | 0                | 0                 | 134            | 134            | 0              |
|                        | Leasehold/freehold acquisitions        | 900            | 0                | 0                 | 900            | 900            | 0                               | 1,511                            | 0                | 0                 | 1,511          | 1,500          | (11)           |
|                        | Major voids                            | 4,500          | 0                | 0                 | 4,500          | 4,500          | 0                               | 8,004                            | 0                | 0                 | 8,004          | 7,318          | (686)          |
|                        | Misc                                   | 0              | 0                | 0                 | 0              | 0              | 0                               | 263                              | 0                | 0                 | 263            | 133            | (130)          |
|                        | Office accommodation                   | 600            | 0                | 0                 | 600            | 600            | 0                               | 1,265                            | 0                | 0                 | 1,265          | 1,232          | (33)           |
|                        | Play areas / environmental             | 300            | 0                | 0                 | 300            | 200            | (100)                           | 400                              | 0                | 0                 | 400            | 300            | (100)          |
|                        | Sheltered housing                      | 600            | 0                | 0                 | 600            | 736            | 136                             | 1,873                            | 0                | 0                 | 1,873          | 1,883          | 10             |
|                        | T&RA halls                             | 1,500          | 0                | 0                 | 1,500          | 1,500          | 0                               | 2,109                            | 0                | 0                 | 2,109          | 2,102          | (7)            |
| Adjustment             | Expenditure in revenue                 | (22,185)       | 0                | 0                 | (22,185)       | (22,184)       | 1                               | (36,973)                         | 0                | 0                 | (36,973)       | (36,973)       | 0              |
| <b>TOTAL</b>           |                                        | <b>234,056</b> | <b>0</b>         | <b>0</b>          | <b>234,056</b> | <b>239,064</b> | <b>5,008</b>                    | <b>414,855</b>                   | <b>0</b>         | <b>0</b>          | <b>414,855</b> | <b>417,168</b> | <b>2,313</b>   |
| <b>FINANCED BY:</b>    |                                        |                |                  |                   |                |                |                                 |                                  |                  |                   |                |                |                |
|                        | Corporate Resource Pool                | 5,018          | 0                | 0                 | 5,018          | 5,030          | 12                              | 10,884                           | 0                | 0                 | 10,884         | 10,887         | 3              |
|                        | Housing receipts                       | 73,766         | 0                | 0                 | 73,766         | 73,766         | 0                               | 141,649                          | 0                | 0                 | 141,649        | 141,726        | 77             |
|                        | Major Repairs Allowance                | 119,704        | 0                | 0                 | 119,704        | 122,106        | 2,402                           | 205,866                          | 0                | 0                 | 205,866        | 208,645        | 2,779          |
|                        | Supported Borrowing                    | 18,000         | 0                | 0                 | 18,000         | 18,000         | 0                               | 18,000                           | 0                | 0                 | 18,000         | 18,000         | 0              |
|                        | Reserves & Revenue                     | 16,668         | 0                | (1,211)           | 15,457         | 18,033         | 2,576                           | 27,114                           | 0                | (846)             | 26,268         | 28,433         | 2,165          |
|                        | Capital Grants                         | 900            | 0                | 1,211             | 2,111          | 2,111          | 0                               | 4,127                            | 0                | 846               | 4,973          | 4,963          | (10)           |
|                        | Section 106 Funds                      | 0              | 0                | 0                 | 0              | 18             | 18                              | 353                              | 0                | 0                 | 353            | 297            | (56)           |
|                        | External Contributions                 | 0              | 0                | 0                 | 0              | 0              | 0                               | 6,862                            | 0                | 0                 | 6,862          | 4,217          | (2,645)        |
| <b>TOTAL RESOURCES</b> |                                        | <b>234,056</b> | <b>0</b>         | <b>0</b>          | <b>234,056</b> | <b>239,064</b> | <b>5,008</b>                    | <b>414,855</b>                   | <b>0</b>         | <b>0</b>          | <b>414,855</b> | <b>417,168</b> | <b>2,313</b>   |

Funded variations and virements for approval

Appendix C

| Variation                                                       | Children's Services | Southwark Schools for the Future | Finance and Resources | Environment | Health and Community Services | Housing General Fund | 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 REFRESH REPORT</b>                              | 60,638              | 115,917                          | 11,083                | 118,803     | 3,404                         | 13,622               | 27,532                          | 350,999                      | 414,855                      | 765,854                      |
| <b>CHANGES IN DEPARTMENTAL RESPONSIBILITY</b>                   |                     |                                  |                       |             |                               |                      |                                 | 0                            |                              | 0                            |
|                                                                 |                     |                                  |                       |             |                               |                      |                                 | 0                            |                              | 0                            |
|                                                                 |                     |                                  |                       |             |                               |                      |                                 | 0                            |                              | 0                            |
| <b>RESTRUCTURED BUDGETS</b>                                     | 60,638              | 115,917                          | 11,083                | 118,803     | 3,404                         | 13,622               | 27,532                          | 350,999                      | 414,855                      | 765,854                      |
| <b>Q1 - VIREMENTS REQUESTED TO BE APPROVED</b>                  |                     |                                  |                       |             |                               |                      |                                 |                              |                              |                              |
| Dulwich L.C. urgent asbestos works                              |                     |                                  |                       | (5)         |                               |                      |                                 | (5)                          |                              | (5)                          |
| Dulwich Leisure Centre                                          |                     |                                  |                       | 5           |                               |                      |                                 | 5                            |                              | 5                            |
| Essential Repairs at Pynners Sports Ground                      |                     |                                  |                       | (3)         |                               |                      |                                 | (3)                          |                              | (3)                          |
| Pynners Sports Ground reinstatement works                       |                     |                                  |                       | 3           |                               |                      |                                 | 3                            |                              | 3                            |
| Burgess Park - Improvements                                     |                     |                                  |                       | (50)        |                               |                      |                                 | (50)                         |                              | (50)                         |
| Burgess Park Revitalisation Project                             |                     |                                  |                       | 50          |                               |                      |                                 | 50                           |                              | 50                           |
| 4 Parks Refurbishment Scheme                                    |                     |                                  |                       | (96)        |                               |                      |                                 | (96)                         |                              | (96)                         |
| Dulwich Leisure Centre                                          |                     |                                  |                       | 96          |                               |                      |                                 | 96                           |                              | 96                           |
| <b>Total virements</b>                                          | 0                   | 0                                | 0                     | 0           | 0                             | 0                    | 0                               | 0                            |                              | 0                            |
| <b>PROGRAMME FUNDED VARIATIONS</b>                              |                     |                                  |                       |             |                               |                      |                                 |                              |                              |                              |
| <b>Q1 - VARIATIONS REQUESTED TO BE APPROVED</b>                 |                     |                                  |                       |             |                               |                      |                                 |                              |                              |                              |
| Bankside Urban Forest                                           |                     |                                  |                       |             |                               |                      | (73)                            | (73)                         |                              | (73)                         |
| Mint Street Park & Bankside Open Space Trust                    |                     |                                  |                       |             |                               |                      | 342                             | 342                          |                              | 342                          |
| Principle Road Renewal - TFL funding                            |                     |                                  |                       |             |                               |                      | 350                             | 350                          |                              | 350                          |
| Corridors, Neighbourhoods and Supporting Measures - TFL funding |                     |                                  |                       |             |                               |                      | 2,401                           | 2,401                        |                              | 2,401                        |
| Major Transport Schemes - TFL funding                           |                     |                                  |                       |             |                               |                      | 419                             | 419                          |                              | 419                          |
| Local Transport Funding - TFL funding                           |                     |                                  |                       |             |                               |                      | 100                             | 100                          |                              | 100                          |
| Cycling Routes                                                  |                     |                                  |                       |             |                               |                      | 30                              | 30                           |                              | 30                           |
| Bermondsey Spa EIP - Regen.                                     |                     |                                  |                       |             |                               |                      | 40                              | 40                           |                              | 40                           |
| Thamespath Pedestrian Diversion                                 |                     |                                  |                       |             |                               |                      | (72)                            | (72)                         |                              | (72)                         |
| Peckham Rye Station                                             |                     |                                  |                       |             |                               |                      | 10,000                          | 10,000                       |                              | 10,000                       |
| 103017 - Brandon 3 Community Garden Phase                       |                     |                                  |                       | 4           |                               |                      |                                 | 4                            |                              | 4                            |
| Peckham Rye Community Wildlife Garden                           |                     |                                  |                       | 45          |                               |                      |                                 | 45                           |                              | 45                           |
| John Harvard Library                                            |                     |                                  |                       | 17          |                               |                      |                                 | 17                           |                              | 17                           |
| Cator Street                                                    | 970                 |                                  |                       |             |                               |                      |                                 | 970                          |                              | 970                          |
| Disabled Facilities Grant                                       |                     |                                  |                       |             |                               | 515                  |                                 | 515                          |                              | 515                          |
| <b>Total Requested to be Approved</b>                           | 970                 | 0                                | 0                     | 66          | 0                             | 515                  | 13,537                          | 15,088                       | 0                            | 15,088                       |
| <b>REVISED BUDGETS - Q1</b>                                     | 61,608              | 115,917                          | 11,083                | 118,869     | 3,404                         | 14,137               | 41,069                          | 366,087                      | 414,855                      | 780,942                      |
| <b>Q1 VARIATIONS REQUESTED TO BE APPROVED</b>                   |                     |                                  |                       |             |                               |                      |                                 |                              |                              |                              |
| <b>FINANCED BY:</b>                                             |                     |                                  |                       |             |                               |                      |                                 |                              |                              |                              |
| Capital Grant                                                   | 0                   | 0                                | 0                     | 45          | 0                             | 515                  | 3,270                           | 3,830                        |                              | 3,830                        |
| Section 106 Funds                                               | 0                   | 0                                | 0                     | 0           | 0                             | 0                    | 299                             | 299                          |                              | 299                          |
| External Contribution                                           | 0                   | 0                                | 0                     | 4           | 0                             | 0                    | (49)                            | (45)                         |                              | (45)                         |
| Capital Receipt                                                 | 0                   | 0                                | 0                     | 0           | 0                             | 0                    | 10,000                          | 10,000                       |                              | 10,000                       |
| Reserves & Revenue                                              | 970                 | 0                                | 0                     | 17          | 0                             | 0                    | 17                              | 1,004                        |                              | 1,004                        |
| <b>TOTAL RESOURCES</b>                                          | 970                 | 0                                | 0                     | 66          | 0                             | 515                  | 13,537                          | 15,088                       | 0                            | 15,088                       |



## General Fund Capital Programme Details

## Appendix D

| Capital Programme 2011/12-2020/21                | Environment           |                   |                   |                    |
|--------------------------------------------------|-----------------------|-------------------|-------------------|--------------------|
| Description of Programme / Project               | 2011/12               | 2012/13           | 2013/14+          | Total              |
|                                                  | £                     | £                 | £                 | £                  |
| Culture, Learning, Libraries and Leisure         | 763,755               | 0                 | 250,000           | 1,013,755          |
| Camberwell Leisure Centre - phase 1              | 978,500               | 0                 | 0                 | 978,500            |
| Camberwell Leisure Centre - final phase          | 521,500               | 0                 | 0                 | 521,500            |
| Pynners Sports Ground Reinstatement              | 600,000               | 0                 | 0                 | 600,000            |
| Elephant and Castle Leisure Centre               | 1,000,000             | 12,000,000        | 7,000,000         | 20,000,000         |
| Olympics Legacy                                  | 1,450,000             | 550,000           | 0                 | 2,000,000          |
| Seven Islands Leisure Centre Refurbishment       | 0                     | 0                 | 8,000,000         | 8,000,000          |
| Parking - Capital works for CPZ reviews          | 255,941               | 0                 | 0                 | 255,941            |
| Non-Principal Road Investment                    | 4,452,393             | 5,000,000         | 34,050,000        | 43,502,393         |
| Street Lights Investment                         | 740,965               | 500,000           | 4,000,000         | 5,240,965          |
| Parks                                            | 362,137               | 0                 | 0                 | 362,137            |
| Honor Oak Remediation works                      | 1,032,013             | 10,000            | 0                 | 1,042,013          |
| Burgess Park Revitalisation Project              | 4,744,945             | 188,172           | 0                 | 4,933,117          |
| Infrastructure Improvements                      | 150,215               | 0                 | 0                 | 150,215            |
| Highways / Traffic improvements on Trafalgar Ave | 50,000                | 0                 | 0                 | 50,000             |
| S106 funded public realm works                   | 830,061               | 0                 | 0                 | 830,061            |
| Upgrade and Refurbishment of Essential CCTV      | 123,360               | 180,000           | 0                 | 303,360            |
| Additional Cemetery Space                        | 410,000               | 0                 | 0                 | 410,000            |
| Cleaner Greener Safer                            | 5,102,423             | 1,880,000         | 15,040,000        | 22,022,423         |
| Peckham Rye one o'clock club                     | 170,000               | 100,000           | 0                 | 270,000            |
| Integrated Waste Solutions Programme             | 4,075,260             | 1,820,000         | 0                 | 5,895,260          |
| Southeast London Combined Heat and Power         | 200,000               | 286,400           | 0                 | 486,400            |
|                                                  |                       |                   |                   |                    |
| <b>Environment Total</b>                         | <b>28,013,468</b>     | <b>22,514,572</b> | <b>68,340,000</b> | <b>118,868,040</b> |
|                                                  |                       |                   |                   |                    |
| Capital Programme 2011/12-2020/21                | Finance and Resources |                   |                   |                    |
| Description of Programme / Project               | 2011/12               | 2012/13           | 2013/14+          | Total              |
|                                                  | £                     | £                 | £                 | £                  |
| Information Services                             | 1,958,304             | 135,612           | 973,417           | 3,067,333          |
| Property Works Programme                         | 759,214               | 0                 | 0                 | 759,214            |
| Works to Council Buildings - DDA                 | 150,000               | 422,064           | 1,084,128         | 1,656,192          |
| Essential upgrade of Carefirst system            | 645,000               | 2,155,000         | 0                 | 2,800,000          |
| Refresh capital contingency reserve              | 0                     | 0                 | 2,800,000         | 2,800,000          |
|                                                  |                       |                   |                   |                    |
| <b>Finance and Resources Total</b>               | <b>3,512,518</b>      | <b>2,712,676</b>  | <b>4,857,545</b>  | <b>11,082,739</b>  |
|                                                  |                       |                   |                   |                    |

## General Fund Capital Programme Details

## Appendix D

| Capital Programme 2011/12-2020/21                    | Regeneration and Neighbourhoods |                   |                   |                   |
|------------------------------------------------------|---------------------------------|-------------------|-------------------|-------------------|
| Description of Programme / Project                   | 2011/12                         | 2012/13           | 2013/14+          | Total             |
|                                                      | £                               | £                 | £                 | £                 |
| Borough & Bankside Streetscape Improvements          | 393,476                         | 0                 | 0                 | 393,476           |
| Bermondsey Streetscape Improvements                  | 1,463,043                       | 0                 | 0                 | 1,463,043         |
| Economic Development and Strategic Partnerships      | 905,955                         | 1,241,332         | 0                 | 2,147,287         |
| Improvements to Local Retail Environments            | 2,822,508                       | 0                 | 0                 | 2,822,508         |
| Planning and Transport projects                      | 3,515,164                       | 1,303,582         | 0                 | 4,818,746         |
| Canada Water Library                                 | 5,440,449                       | 343,318           | 0                 | 5,783,767         |
| Canada Water Development                             | 842,756                         | 200,054           | 0                 | 1,042,810         |
| Voluntary Sector Strategy                            | 0                               | 0                 | 1,072,832         | 1,072,832         |
| New Nunhead Community Centre                         | 450,000                         | 150,000           | 0                 | 600,000           |
| Other Regeneration Schemes                           | 232,967                         | 0                 | 0                 | 232,967           |
| Peckham Rye Station                                  | 0                               | 0                 | 10,000,000        | 10,000,000        |
| Office Accommodation Strategy                        | 3,084,000                       | 5,526,000         | 2,080,978         | 10,690,978        |
| <b>Regeneration and Neighbourhoods Total</b>         | <b>19,150,318</b>               | <b>8,764,286</b>  | <b>13,153,810</b> | <b>41,068,414</b> |
|                                                      |                                 |                   |                   |                   |
| Capital Programme 2011/12-2020/21                    | Children's Services             |                   |                   |                   |
| Description of Programme / Project                   | 2011/12                         | 2012/13           | 2013/14+          | Total             |
|                                                      | £                               | £                 | £                 | £                 |
| Children's Centres - All Phases                      | 716,805                         | 533,218           | 0                 | 1,250,023         |
| Waverley School                                      | 19,690                          | 200,096           | 0                 | 219,786           |
| Eveline Lowe Primary School                          | 2,082,503                       | 200,000           | 0                 | 2,282,503         |
| Michael Faraday Primary retention payment            | 1,285,231                       | 716,419           | 0                 | 2,001,650         |
| Southwark Park Primary School                        | 500,000                         | 5,000,000         | 3,116,610         | 8,616,610         |
| Robert Browning Primary School                       | 724,272                         | 40,653            | 0                 | 764,925           |
| Planned Maintenance and Quick Win Schemes            | 100,266                         | 200,000           | 0                 | 300,266           |
| Smaller projects - Primary Capital Programme         | 492,392                         | 283,035           | 0                 | 775,427           |
| Crampton Primary School - additional places          | 1,230,000                       | 346,900           | 0                 | 1,576,900         |
| Brunswick Park Primary School                        | 150,000                         | 30,000            | 96,704            | 276,704           |
| Goose Green Primary School                           | 1,185,452                       | 70,000            | 0                 | 1,255,452         |
| St Anthony's expansion and refurbishment             | 2,075,000                       | 2,000,000         | 0                 | 4,075,000         |
| Lynhurst expansion and refurbishment                 | 308,371                         | 3,500,000         | 1,800,000         | 5,608,371         |
| Cherry Garden Special School                         | 500,000                         | 7,200,000         | 4,800,000         | 12,500,000        |
| Haymerle Primary School                              | 880,343                         | 155,000           | 0                 | 1,035,343         |
| Youth Services                                       | 138,176                         | 596,963           | 0                 | 735,139           |
| Cator Street                                         | 970,000                         |                   |                   | 970,000           |
| Access fund                                          | 150,495                         | 0                 | 0                 | 150,495           |
| Carbon Reduction Fund                                | 220,000                         | 4,599             | 0                 | 224,599           |
| Capital Works for Free Healthy School Meals          | 500,000                         | 0                 | 0                 | 500,000           |
| Rotherhithe Primary                                  | 0                               | 0                 | 10,000,000        | 10,000,000        |
| Plant, fabric and modernisation - 2011/12 grant      | 500,000                         | 0                 | 0                 | 500,000           |
| New places and improvements - 2011/12 grant          | 300,000                         | 0                 | 0                 | 300,000           |
| Plant, fabric and modernisation - delegated decision | 0                               | 1,689,000         | 0                 | 1,689,000         |
| Bulge primary school classes - delegated decision    | 0                               | 1,000,000         | 0                 | 1,000,000         |
| Challenge fund for schools - delegated decision      | 0                               | 500,000           | 0                 | 500,000           |
| New places & improvements - future Cabinet report    | 0                               | 2,500,000         | 0                 | 2,500,000         |
| <b>Children's Services Total</b>                     | <b>15,028,996</b>               | <b>26,765,883</b> | <b>19,813,314</b> | <b>61,608,193</b> |

## General Fund Capital Programme Details

## Appendix D

| <b>Capital Programme 2011/12-2020/21</b>      |                   |                   |                   |                    |
|-----------------------------------------------|-------------------|-------------------|-------------------|--------------------|
| <b>Health and Community Services</b>          |                   |                   |                   |                    |
| <b>Description of Programme / Project</b>     | <b>2011/12</b>    | <b>2012/13</b>    | <b>2013/14+</b>   | <b>Total</b>       |
|                                               | <b>£</b>          | <b>£</b>          | <b>£</b>          | <b>£</b>           |
| Southwark Resource Centre                     | 1,333,225         | 358,000           | 0                 | 1,691,225          |
| Smaller projects                              | 57,646            | 0                 | 0                 | 57,646             |
| Adult PSS Capital Allocations                 | 818,470           | 836,651           | 0                 | 1,655,121          |
| <b>Health and Community Services Total</b>    | <b>2,209,341</b>  | <b>1,194,651</b>  | <b>0</b>          | <b>3,403,992</b>   |
| <b>Capital Programme 2011/12-2020/21</b>      |                   |                   |                   |                    |
| <b>Southwark Schools for the Future</b>       |                   |                   |                   |                    |
| <b>Description of Programme / Project</b>     | <b>2011/12</b>    | <b>2012/13</b>    | <b>2013/14+</b>   | <b>Total</b>       |
|                                               | <b>£</b>          | <b>£</b>          | <b>£</b>          | <b>£</b>           |
| Walworth Academy                              | 1,439,521         | 0                 | 0                 | 1,439,521          |
| Tuke Special School                           | 360,000           | 0                 | 0                 | 360,000            |
| St Michael's PFI                              | 22,157            | 0                 | 0                 | 22,157             |
| St Michaels and All Angels (SMAA)             | 9,935,140         | 19,484,596        | 1,279,499         | 30,699,235         |
| Highshore (SMAA special school)               | 0                 | 0                 | 0                 | 0                  |
| Spa school                                    | 1,132,752         | 0                 | 0                 | 1,132,752          |
| St Thomas the Apostle college                 | 83,333            | 0                 | 0                 | 83,333             |
| New School Aylesbury                          | 13,385,264        | 957,781           | 0                 | 14,343,045         |
| Rotherhithe (CW new school)                   | 6,867,630         | 9,810,900         | 2,943,270         | 19,621,799         |
| Notre Dame (VA)                               | 2,009,402         | 5,545,472         | 883,642           | 8,438,516          |
| Sacred Heart PFI                              | 0                 | 0                 | 0                 | 0                  |
| KS4 SILS                                      | 1,043,760         | 1,206,240         | 0                 | 2,250,000          |
| St Saviours and St Olaves                     | 3,728,144         | 5,232,679         | 423,268           | 9,384,090          |
| Bredinghurst / KS3 SILS                       | 4,494,495         | 8,817,412         | 1,065,033         | 14,376,940         |
| ICT                                           | 3,557,018         | 2,493,114         | 0                 | 6,050,132          |
| Contingency yet to be formally allocated      | 500,000           | 3,000,000         | 4,215,519         | 7,715,519          |
| <b>Southwark Schools for the Future Total</b> | <b>48,558,614</b> | <b>56,548,193</b> | <b>10,810,230</b> | <b>115,917,038</b> |

## General Fund Capital Programme Details

## Appendix D

| Capital Programme 2011/12-2020/21            | Housing General Fund         |                   |                     |                     |
|----------------------------------------------|------------------------------|-------------------|---------------------|---------------------|
| Description of Programme / Project           | 2011/12                      | 2012/13           | 2013/14+            | Total               |
|                                              | £                            | £                 | £                   | £                   |
| East Peckham and Nunhead Housing Renewal     | 1,874,520                    | 1,421,722         | 2,177,359           | 5,473,601           |
| Empty Homes Grant                            | 500,000                      | 347,496           | 0                   | 847,496             |
| Homes Improvement Grant                      | 511,248                      | 0                 | 0                   | 511,248             |
| Homes Improvement Agency                     | 1,313,690                    | 515,000           | 515,000             | 2,343,690           |
| Small works grants                           | 50,000                       | 77,921            | 200,000             | 327,921             |
| Home repair loan                             | 165,000                      | 167,507           | 660,000             | 992,507             |
| Home repair grant                            | 160,000                      | 160,246           | 640,000             | 960,246             |
| Landlord grants                              | 20,000                       | 27,660            | 80,000              | 127,660             |
| Southwark moving on grant                    | 10,000                       | 10,000            | 0                   | 20,000              |
| Ilderton travellers site wall                | 300,000                      | 0                 | 0                   | 300,000             |
| Springtide travellers site                   | 521,144                      | 100,000           | 191,000             | 812,144             |
| Burnhill Close travellers site refurbishment | 112,380                      | 7,221             | 0                   | 119,601             |
| Affordable Housing Fund 122-148 Ivydale      | 780,000                      | 520,000           | 0                   | 1,300,000           |
|                                              |                              |                   |                     |                     |
| <b>Housing General Fund Total</b>            | <b>6,317,982</b>             | <b>3,354,773</b>  | <b>4,463,359</b>    | <b>14,136,114</b>   |
|                                              |                              |                   |                     |                     |
| Capital Programme 2011/12-2020/21            | Total General Fund Programme |                   |                     |                     |
|                                              | 2011/12                      | 2012/13           | 2013/14+            | Total               |
|                                              | £                            | £                 | £                   | £                   |
| <b>Total Expenditure</b>                     | 122,791,238                  | 121,855,034       | 121,438,258         | 366,084,530         |
|                                              |                              |                   |                     |                     |
| <b>Total Resources</b>                       | 110,603,122                  | 107,073,582       | 202,092,000         | 419,768,704         |
|                                              |                              |                   |                     |                     |
| <b>Forecast variation (under)/over</b>       | <b>12,188,116</b>            | <b>14,781,452</b> | <b>(80,653,742)</b> | <b>(53,684,174)</b> |
| <b>Cumulative position</b>                   | <b>12,188,116</b>            | <b>26,969,568</b> | <b>(53,684,174)</b> |                     |
|                                              |                              |                   |                     |                     |

|                                    |                                |                                                                                                                                                             |                                 |
|------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <b>Item No.</b><br>11.             | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                                                                                                           | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Approval of the Council's Transport for London funded work programme for 2012/13 and indicative programme to 2013/14 for submission to Transport for London |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All                                                                                                                                                         |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Barrie Hargrove, Transport, Environment and Recycling                                                                                            |                                 |

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

The transport improvement programme or LiP (Local Implementation Plan) funding is a key source for traffic, travel, safety and transport schemes in the borough and forms a key component to deliver the ambitions contained within our transport plan.

The programme contained within this report has been developed in line with the transport plan and considering consultation with community councils, existing projects and funding opportunities. I am confident that if approved, these bids will contribute towards addressing some of the transport infrastructural problems that remain in our busy urban environment.

### **RECOMMENDATIONS**

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

1. Agrees the content of the council's proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL Local implementation plan (Lip) funding in 2012/13 and the indicative programme of work for 2013/14 as contained in Appendices A and B.
2. Agrees that the identified programme be submitted to TfL by 7 October 2011.
3. Agrees to the implementation of the agreed programme as set out in Appendices A and B.
4. Requests the relevant cabinet member when considering variations to the proposed programme to consult with community council chairs regarding schemes in their area.

#### **Recommendation for the Leader of the Council**

5. Delegates authority to the Cabinet Member for Transport, Environment and Recycling to determine the most appropriate use of the £100K discretionary funding allocated by TfL for 2012/13.

## **BACKGROUND INFORMATION**

6. Section 145 of the Greater London Authority Act 1999 (GLA 1999) requires each council in London to prepare a Local implementation plan (Lip) to detail how the authority will assist in delivering the Mayor's Transport Strategy.
7. In May 2010, the Mayor of London published his revised transport strategy and all boroughs are required to revise their Local implementation plan in response to the new strategy. The council's transport plan (incorporating the requirements of the local implementation plan) was adopted by the council in July 2011 and sets out how the council works with partners to coordinate and improve its transport infrastructure and services in the borough.
8. TfL provides financial assistance to boroughs, sub-regional partnerships and cross-borough initiatives under section 159 of the GLA Act 1999. All councils within London are able to obtain funding on an annual basis to deliver schemes identified in the Lip. This process is part of the Lip annual progress report (APR).
9. The borough is responsible for identifying a programme of transport improvements to reflect the integrated transport programme funding allocation. This programme is then submitted to TfL for confirmation based on compatibility with the Mayor's policy framework.
10. The formula funding is allocated under two categories, corridors and neighbourhoods and supporting measures. The overall TfL Lip budget is £147.8 million of transport funding for London authorities in 2012/2013 down from £155m for 2010/11.
11. Southwark's allocation for 2012/13 is £3.445m comprising of £2.875m for corridors and neighbourhoods and supporting measures, £471k of principal road renewal or bridge strengthening funding and £100k of discretionary funding to be spent as the council sees fit. This is the total funding that the borough should expect to receive for the integrated transport programme.
12. The above allocation includes maintenance of the principal road network or bridge strengthening and assessment works which are funded on a needs basis. For the former, the council has been provisionally allocated £471k for 2012/13 and an indicative maintenance programme is detailed in Appendix B.
13. The above allocation does not include major schemes (large urban realm and accessibility projects). The council can still bid for major schemes separately with £28m available for allocation across London in 2012/13. Further funding will be sought through separate means to progress the Camberwell town centre streetscape improvements.

## **KEY ISSUES FOR CONSIDERATION**

14. The council's funding allocation for 2012/13 of £3.445m is broadly in line with funding received in previous years. In 2011/12 the council received equivalent funding (excluding area based schemes and principal road renewal) totalling £3.349m.

15. A three year programme was developed alongside the preparation of the borough's transport plan. In developing this programme officers undertook an assessment of transport issues across the borough based on available data and known issues reported by the community. As a result a number of 'hot spots' were identified in each community council area.
16. Given the limited amount of funding available and the number of possible projects in each community council area, together with cross borough projects, it was necessary to prioritise projects to take forward. Officers carried out a further assessment balancing local priorities against borough wide priorities and strategic policies and objectives in order to arrive at a final scheme list.
17. The three year delivery programme was then consulted on as part of the borough's transport plan. Officers are also attending September community councils to advise them of the current programme and any future proposals in their area.
18. There is a natural link between this work, the s106 project banks and other projects identified by the community such as cleaner, greener, safer. In developing the transport improvement programme officers have considered the prioritised Community Project Bank proposals. The schemes identified complement existing proposals, priorities and funding streams. It is noted that s106 contributions are used to mitigate the effect of new development on infrastructure in the vicinity of that development. This source of funding complements and works alongside that received from TfL, in areas where development has impacted on the transport network.
19. Following consideration of community council and strategic priorities the Cabinet Member for Transport, Environment and Recycling has agreed the overall scheme list presented in this report.

### **Policy implications**

20. The proposed programme of works is consistent with the council's transport plan as well as the council's broader policy framework and various national and regional policies including the Mayor's Transport Strategy, as required by TfL.
21. The Transport Plan (incorporating the requirements of Lip2) has been prepared to meet the Mayor's Transport Strategy objectives and will help the council to achieve the priorities set out in Southwark 2016: Sustainable community strategy.

### **Community impact statement**

22. It is expected that the proposed schemes that receive funding will provide a tangible positive benefit for those living and working in Southwark and local consultation will be undertaken as part of their implementation.
23. An equality analysis and a strategic environmental assessment were undertaken as part of the development of the Transport Plan and the impact on the community was considered as part of this.

24. The Transport Plan seeks to actively address with the council's responsibilities to eliminate discrimination, promote equality of opportunity and promote good relations between the different groups. The equality analysis found that the Transport Plan objectives were consistent with these objectives.
25. As proposals are in accordance with both of these documents and should have a positive impact on all Southwark residents. However the council will undertake ongoing monitoring to ensure there are no adverse implications for the community, or that any identified are proportionate to the overall objective of the programme and are minimised where possible. This will be through an annual monitoring report collating all available data on the impacts of the plan and identifying general travel trends within Southwark. This will include an assessment of any variation of impacts across different groups.

### **Resource implications**

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

### **Consultation**

28. The submission builds on the consultation carried out during the compilation of the Transport Plan, which underwent twelve weeks of community consultation in late 2010/early 2011. As part of the Transport Plan consultation, the community were invited to comment via community groups, community councils, the council's website, electronic newsletters and social media networks and via an online survey. In addition, the community had the opportunity to speak to officers directly through various community and stakeholder groups, local community councils and via two 'drop in' sessions.
29. The council received a total of 447 responses to the consultation, comprising 402 completed surveys and 23 individual responses. This was in addition to responses from statutory stakeholders and key interest groups. The Transport Plan was subsequently amended to consider the comments provided.
30. Furthermore, since 2010 all correspondence from the community has been logged and this together with broader feedback received and community led proposals has been a major factor in the consideration of schemes proposed in this report.
31. As well as the detailed consultation undertaken in September 2010, officers have consulted the community council chairs in developing the programme and will be attending community council meetings in September to seek local views.
32. Once the projects we are proposing have been confirmed by TfL, separate formal consultation, in accordance with the council's policies and commitments, will be undertaken prior to their detailed design or implementation. This provides the opportunity for community councils and residents to influence the detailed design. In addition, community councils will be given the opportunity to influence the delivery of cross-borough proposals affecting their area.



## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

#### **Greater London Authority Act 1999**

33. As stated in the main body of the report, section 145 Greater London Authority Act (GLA) 1999 requires London borough councils to prepare local implementation plans ("LIPs") setting out their own proposals on how they intend to put the Mayor's transport strategy into effect in their respective areas. The councils are required to consult various bodies and must include a timetable for when they intend to implement the proposals in their plan.
34. Section 146 GLA 1999 provides for the Mayor to approve each local plan, ensuring that they adequately implement the transport strategy. He must not approve a plan unless he is satisfied that it is consistent with the strategy, and that the proposals in it are adequate to implement the strategy and that the timetable for implementation is adequate for those purposes.
35. Under section 151 GLA 1999, once a plan has been approved by the Mayor the council must implement it according to the timetable in the plan.
36. It is also worth noting that section 152 GLA 1999 provides that if the Mayor considers that a council has not carried out any proposal in its LIP satisfactorily and according to the timetable in the plan, he will be able to exercise the appropriate powers of the council, at their expense, in order to fulfil the strategy. Furthermore, section 153 GLA 1999 provides that the Mayor may give legally binding directions to councils on the manner in which they perform any of their duties set out in sections 145 to 151, i.e. provisions on the preparation, submission, re-submission, revision and implementation of local implementation plans.
37. Section 159 allows TfL to give financial assistance (by grant or loan or other means) to any person or body for expenditure conducive to the provision of safe, integrated, efficient and economic transport facilities. This section also allows TfL to impose conditions on financial assistance it provides.
38. There has been compliance with the council's Equalities and Human Rights Scheme 2008-2011 as well as the public sector equality duty as contained within section 149 of the Equality Act 2010. All six equality strands have been duly considered and assessed as part of the Equalities Impact Assessment carried out for the Transport Plan. During the delivery of the identified transport projects, equalities will need to continue to be monitored.
39. Under paragraph 6, Part 3D of the constitution the Individual Member has authority to agree statutory or other strategies in relation to their area of responsibility. In addition under paragraph 4, the Individual Member has authority to approve the submission of bids for additional resources from government and other agencies in relation to their area of responsibility, where member level agreement is required by the external agency. However, due to the cross-cutting nature of Transport Projects, the Individual Member has requested that this matter be considered by full Cabinet.

### Finance Director

40. This report recommends amongst other things, that the Cabinet agrees the content of the council's proposed submission for TfL Local implementation plan (Lip) funding in 2012/13 and the indicative programme of work for 2013/14 and that the Cabinet delegates authority to the Cabinet Member for Transport, Environment and Recycling to determine the most appropriate use of the £100K discretionary funding allocated by TfL for 2012/13.
41. The total amount of funding that the council has been allocated by TfL for 2012/13 and for which the submission is prepared, is £3.445m comprising of £2.875m for corridors and neighbourhoods and supporting measures, £471k of principal road renewal or bridge strengthening funding and £100k of discretionary funding, the overall funding allocation requiring final approval from TfL. In the unlikely event that the funding submission to assist in delivering the Mayor's Transport Strategy is restricted in some way, a further report would be prepared. Officer time to effect the recommendations will be contained within existing budgeted resources.

### Strategic Director of Environment & Leisure

42. The targets and actions contained in the Transport Plan have been developed in consultation with officers of the Public Realm and Community Safety Divisions and are consistent with our operational policies and plans in relation to highway asset management and design, parking, road network management and air quality.

### BACKGROUND DOCUMENTS

| Background Papers | Held At                                                         | Contact                     |
|-------------------|-----------------------------------------------------------------|-----------------------------|
| Transport Plan    | Planning and Transport,<br>160 Tooley Street,<br>London SE1 2QH | Sally Crew<br>020 7525 5564 |

### APPENDICES

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

**AUDIT TRAIL**

|                                                                         |                                                                 |                          |
|-------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------|
| <b>Cabinet Member</b>                                                   | Councillor Barrie Hargrove, Transport Environment and Recycling |                          |
| <b>Lead Officer</b>                                                     | Eleanor Kelly, Deputy Chief Executive                           |                          |
| <b>Report Author</b>                                                    | Sally Crew, Group Manager Policy and Programmes                 |                          |
| <b>Version</b>                                                          | Final                                                           |                          |
| <b>Dated</b>                                                            | 8 September 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 Environment & Leisure                             | Yes                                                             | Yes                      |
| Finance Director                                                        | Yes                                                             | Yes                      |
| <b>Cabinet Member</b>                                                   | Yes                                                             | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |                                                                 | 8 September 2011         |

Borough: Southwark

Year: 2011/12 onwards

| Programme areas                                                                                                                                                                                                                                 | Ongoing scheme? | Funding (£,000s) |              |              |              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------|--------------|--------------|--------------|
|                                                                                                                                                                                                                                                 |                 | 2011/12          | 2012/13      | 2013/14      | Total        |
| <b>East Dulwich</b> - public realm and pedestrian access scheme (Grove Vale and Lordship Lane) Yr 2 of 2 year scheme                                                                                                                            | ✓               | 400              | 0            | 0            | 400          |
| <b>East Dulwich Road</b> - pedestrian accessibility                                                                                                                                                                                             |                 | 50               |              |              |              |
| <b>Peckham Rye south</b> - Improvements to walking and cycling conditions on both sides of Peckham Rye Common, collision reduction at key junctions and measures to reduce inappropriate traffic levels on local streets. Yr 2 of 2 year scheme | ✓               | 538              | 0            | 0            | 538          |
| <b>Southwark Park Road/ Grange Road</b> - Speed reduction and improved access to Spa Park and local schools.                                                                                                                                    | ✓               | 292              | 0            | 0            | 292          |
| <b>Copeland and Consort Road</b> - changes to the roads forming the one-way system in order to improve safety, reduce speeds and reduce community severance. Yr 2 of 2 year scheme                                                              | ✓               | 371              | 0            | 0            | 371          |
| <b>EVCB</b> - Further implementation of electric vehicle charging points and running costs (subject to trial in 10/11)                                                                                                                          |                 | 25               | 25           | 25           | 75           |
| <b>West Walworth</b> - Legibility, permeability and accessibility improvements on streets to the west of Walworth Road                                                                                                                          | ✓               | 170              | 0            | 0            | 170          |
| <b>Forest Hill Road</b> - St Francesca Cabrini STP measures in year 1 and general speed reduction measures in year 2.                                                                                                                           |                 | 145              | 400          | 0            | 545          |
| <b>South Dulwich</b> - Wider STP measures for local schools.                                                                                                                                                                                    |                 | 100              | 0            | 0            | 100          |
| <b>Paxton Green</b> - Reconfiguration of the roundabout in order to reduce speeds and improve pedestrian access through the area, particularly for school children. Complements Lambeth scheme in area.                                         |                 | 0                | 80           | 270          | 350          |
| <b>Lant (Mint) Street</b> - Measures to deter through traffic from using Mint Street/ Weller Street/ Lant Street                                                                                                                                |                 | 64               | 0            | 0            | 64           |
| <b>Barry Road</b> - Measures to control vehicle speeds and improve road safety, particularly around side road junctions                                                                                                                         |                 | 0                | 25           | 154          | 179          |
| <b>Bellenden area</b> - Review and revision of one-way traffic restrictions to improve network permeability                                                                                                                                     |                 | 25               | 100          | 200          | 325          |
| <b>East Dulwich Grove</b> - speed and collision reduction                                                                                                                                                                                       |                 |                  | 75           | 400          |              |
| <b>Rotherhithe New Road</b> - Collision reduction, improved school and park access, develop cycle links                                                                                                                                         |                 | 0                | 25           | 425          | 450          |
| <b>Long Lane</b> - Collision reduction and traffic speed review, improved crossing points and access to local schools                                                                                                                           |                 | 0                | 50           | 275          | 325          |
| <b>*Cycle training</b> - provision of cycle training across Southwark. To cover staffing, management, promotion, publicity and delivery of training sessions to all groups                                                                      | ✓               | 163              | 156          | 134          | 453          |
| <b>*Surveys</b> - Cross borough programme of surveys and monitoring at a strategic level, including walking, cycling and traffic counts                                                                                                         | ✓               | 30               | 30           | 30           | 90           |
| <b>*Sustainable travel infrastructure</b> - identification and delivery of on street cycle parking, dropped kerbs and other measures to support sustainable modes of travel                                                                     | ✓               | 60               | 60           | 60           | 180          |
| <b>Estate square parking</b> - Installation of secure cycle parking on housing estates                                                                                                                                                          | ✓               | 50               | 50           | 50           | 150          |
| <b>Surrey Square green links</b> - Accessibility improvements linking green spaces to encourage local walking and cycling trips                                                                                                                 |                 | 0                | 342          | 0            | 342          |
| <b>Cycle superhighway route 5 complementary measures</b> - Permeability improvements for cyclists, estate cycle parking and cycle training                                                                                                      |                 | 39               | 150          | 0            | 189          |
| <b>Pedestrian phases</b> - Introduce pedestrian facilities at signalised junctions on borough roads.                                                                                                                                            | ✓               | 50               | 0            | 0            | 50           |
| <b>Rotherhithe peninsula</b> - Small scale infrastructure interventions to support local walking and cycling trips                                                                                                                              |                 | 0                | 177          | 0            | 177          |
| <b>Camberwell green links</b> - Access and environmental improvements on streets linking to town centre.                                                                                                                                        |                 | 0                | 150          | 0            | 150          |
| <b>Signal scheme completion</b> - Completion of signal component of 11/12 schemes after Olympic moratorium                                                                                                                                      |                 | 0                | 50           | 0            | 50           |
| <b>Riverside traffic management</b> - Traffic management measures to remove inappropriate levels of traffic on local streets to the north of Jamaica Road.                                                                                      |                 | 0                | 100          | 0            | 100          |
| <b>Peckham Rye station access</b> - Development work on scheme to improve walking links to the station and pedestrian safety improvements on Rye Lane adjacent the station                                                                      |                 | 0                | 0            | 50           | 50           |
| <b>*Travel awareness campaigns and events</b> - Events and activities associated with promoting sustainable travel modes                                                                                                                        | ✓               | 40               | 40           | 40           | 120          |
| <b>*Road safety education, training and publicity</b> - Campaigns and events to encourage safer travel behaviour.                                                                                                                               | ✓               | 78               | 77           | 75           | 230          |
| <b>*Sustainable modes of travel strategy implementation</b> - Encouraging the use of sustainable modes of travel by children and young people through school travel plans and other sustainable travel initiatives                              | ✓               | 134              | 113          | 97           | 344          |
| <b>Elephant and Castle travel awareness</b> - Research and measures to encourage modal shift from public transport to active travel modes                                                                                                       |                 | 25               | 50           | 50           | 125          |
| <b>*Travel plan support and implementation</b> - Delivering travel plans through the development planning process and support for voluntary travel plans and area networks.                                                                     | ✓               | 58               | 40           | 25           | 123          |
| <b>Community Streets</b> - Community led projects to enhance local streets                                                                                                                                                                      |                 | 50               | 60           | 60           | 170          |
| <b>Area based smarter travel</b> - Co-ordinated sustainable travel and road safety initiatives focussed on specific neighbourhoods.                                                                                                             | ✓               | 40               | 25           | 45           | 110          |
| <b>Olympic smarter travel</b> - Promoting safe, active travel during the olympic period to relieve pressure on London's transport system and encourage longer term mode shift                                                                   |                 | 0                | 25           | 0            | 25           |
| <b>Footway renewal</b> - Targeted resurfacing of footways to improve pedestrian accessibility and encourage more walking trips                                                                                                                  |                 | 0                | 250          |              | 250          |
| <b>Walking and cycling permeability</b> - improving access and reducing travel times through small scale infrastructure changes such as dropped kerbs and cycle contraflows.                                                                    |                 | 0                | 150          | 0            | 150          |
| <b>Discretionary funds</b>                                                                                                                                                                                                                      | ✓               | 100              | 100          | 100          | 300          |
| <b>Integrated transport total</b>                                                                                                                                                                                                               |                 | <b>2,997</b>     | <b>2,875</b> | <b>2,465</b> | <b>8,337</b> |
| <b>Principal Road Renewal</b>                                                                                                                                                                                                                   |                 | 0                | 471          | 350          | 821          |
| Champion Park                                                                                                                                                                                                                                   |                 | 209              | 0            | 0            | 209          |
| Rotherhithe Old Road                                                                                                                                                                                                                            |                 | 141              | 0            | 0            | 141          |
| <b>Bridge assessment and strengthening</b> - Prioritised locations include Commercial Way Bridge, Camberwell Grove Bridge                                                                                                                       |                 | 0                | 0            | 0            | 0            |
| Willowbrook Road Bridge                                                                                                                                                                                                                         |                 | 25               | 0            | 0            | 25           |

Corridors, Neighbourhoods and Supporting Measures

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

Southwark has been allocated indicative funding of £471k for its maintenance programme for 2012/13, but asked to submit proposals up to 25% above that figure (giving a total of £588k) to allow for possible reserve schemes.

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

| <b>Road name</b>                              | <b>Cost of footway</b> | <b>Cost of carriageway</b> | <b>Total</b> |
|-----------------------------------------------|------------------------|----------------------------|--------------|
| Hawkstone Road                                |                        | £319,000                   | £319,000     |
| Dulwich Wood Park                             |                        | £152,000                   | £152,000     |
| Lordship Lane (Whateley Road to Townley Road) |                        | £117,000                   | £117,000     |

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

Willowbrook Road Bridge  
 Commercial Way Bridge  
 Camberwell Grove Bridge

|                                    |                                |                                                                                                 |                                 |
|------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------|
| <b>Item No.</b><br>12.             | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                                               | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Gateway 2 – Contract Award Approval<br>Supply of gas to sites consuming less than 25,000 therms |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All wards                                                                                       |                                 |
| <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 purchase the supply of electricity and gas to a number of sites across the borough. The Gateway 1 report that was approved in June 2011 presented an approach using a Central Purchasing Body (CPB) for the supply of gas to sites consuming less than 25,000 therms of gas per year.

This report recommends the use of LASER Energy Buying Group’s Procurement Only Service Option (POSO), and the supplier they have secured for gas, namely Total Gas and Power. As part of a consortium of authorities using this framework contract Southwark Council does not need to go through the OJEU 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.

**RECOMMENDATIONS**

**Recommendation for the Cabinet**

1. That the cabinet approve the award of the supply of gas to all sites consuming less than 25,000 therms to LASER in the form of a tripartite agreement with Total Gas and Power using the Procurement Only Service Option (POSO). The estimated sum, of £1,018,540 for a period of four years (with effect from 1 October 2012) making a total contract value of £4,074,160. This includes management fees from LASER.

**Recommendation for the Leader of the Council**

2. That the leader delegates authority to the cabinet member for transport, environment and recycling, prior to, and throughout the duration of the contract (as detailed in the procurement project plan and timeline, paragraph 4) to;
  - approve the management option selected for the contract, and consider the flexibility to change the management option (detailed in paragraphs 25 - 32), and;

- amend the purchasing solution (Purchase in Advance or Purchase within Period detailed in paragraph 8).

## BACKGROUND INFORMATION

- The recommendation of this report is that the gas requirements of this existing contract are secured via a four year framework contract which expires 30 September 2016. As gas is a volatile traded commodity, the 'wholesale' cost of gas has been excluded from the tender (gas will be purchased from the wholesale market at different times both before and during the contract term). This contract has therefore not been awarded on the basis of gas price. The contract costs set out above are therefore estimates, and actual costs will depend upon market conditions and purchasing decisions taken during the contract.
- This contract has no extension duration built into the contract.

## Procurement project plan

| Activity                                                                                                                  | Date completed                     |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Forward Plan (if Strategic Procurement)                                                                                   | 01/06/2011                         |
| DCRB/CCRB/CMT<br>Review Gateway 1: Procurement Strategy Approval                                                          | DCRB 01/06/2011<br>CCRB 02/06/2011 |
| Issue Notice of Intention<br><i>Note: this is for contracts that only affect Leaseholders. This period is for 8 weeks</i> | 13/06/2011                         |
| <b>Gateway 1:</b> Procurement strategy for approval 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                                                                      |                                    |
| Council evaluation of consortia                                                                                           | 01/08/2011                         |
| Council evaluation of purchasing solution                                                                                 | 01/08/2011                         |
| Issue Notice of Proposal<br><i>Note: this is for contracts that only affect Leaseholders. This period is for 8 weeks</i>  | w/c 28/08/2011                     |
| Review Gateway 2: Consortia and Contract award report                                                                     | DCRB 23/08/2011<br>CCRB 25/08/2011 |
| Notification of forthcoming decision                                                                                      | 02/09/2011                         |

| Activity                                                                                                                        | Date completed         |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Approval of <b>Gateway 2</b> : Contract Award Report (this report)                                                              | 20/09/2011             |
| Scrutiny Call-in period and notification of implementation of Gateway 2 decision                                                | 30/09/2011             |
| Place award notice in Official Journal of European Union (OJEU)                                                                 | Completed by consortia |
| Standstill period observed between award notice and contract award                                                              |                        |
| Add to Contract Register                                                                                                        | 30/09/2011             |
| Cabinet Member for Transport, Environment and Recycling decision for purchasing option and option to change management solution | 31/03/2012             |
| Start date of Southwark buy-in to the contract                                                                                  | 01/10/2012             |
| 6 monthly contract performance reviews                                                                                          | January & June         |
| Contract completion                                                                                                             | 31/09/2016             |

### Description of procurement outcomes

5. The selection process undertaken by Southwark Council which included seeking interest from LASER and Government Procurement Services (GPS, formerly Buying Solutions), was based on the criteria detailed in the Gateway 1 report. It resulted in a framework contract presented by the LASER Energy Buying being recommended for the supply of gas through a tripartite agreement with Total Gas and Power to sites consuming less than 25,000 therms.
6. Using LASER allows the Council to access wholesale rather than the retail market price for gas supplies to 132 sites in the borough, including smaller centrally heated housing estates, schools and municipal offices. In addition, the authority does not need to go through the OJEU tendering process, thus saving time and money.
7. Like any other market a 'trading' function is required, deploys tested and continuously improved buying and risk management strategies, and needs to have appropriate governance arrangements in place. LASER'S approach has been evaluated by the authority to ensure any financial risk to the authority is managed in accordance with Southwark's guiding principles. When considered in conjunction with the volatility of prices in the energy market, it has highlighted the need for the decision, whether to take a Purchase in Advance or Purchase Within Period solution (as detailed in the Gateway 1 report), to be taken closer to the contract start date.
8. It is proposed that the decision (whether to take Purchase in Advance or Purchase within Period), is to be taken by the cabinet member for transport, environment and recycling by the 31 March 2012. This is the latest point we can notify LASER of our preferred purchasing option and will decrease the financial risk to the authority. Authority is therefore sought from the leader to delegate this decision to the cabinet member.



9. Furthermore, if market conditions change presenting an increased financial risk to the authority the cabinet member for transport, environment and recycling has delegated authority to change the purchasing option throughout the duration of the contract. This will be based on criteria evaluated as part of the 6 monthly performance reviews, including;
- Previous PIA and PWP performance, and by further analysing the performance to date of the contract
  - Market conditions and gas supply to the UK
  - Market forecast and risk to the authority

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

10. There are no policy implications.

### **Comparison process**

11. As outlined in the Gateway 1 procurement strategy, Southwark Council, approached LASER and Government Procurement Services (GPS) to provide detail on the solutions available to Southwark for the supply of gas to sites consuming less than 25,000 therms.
12. At the start of this process the intention was to follow a 'traditional' tender process that would allow the authority to evaluate against set criteria listed in the Gateway 1 report, and detailed in paragraph 19. These criteria were prioritised depending on their importance as defined by the energy management team.
13. However, whilst both LASER and GPS responded, GPS indicated that as a Public Sector Organisation they could not be seen to be competing with other organisations, and would not provide information for tenders, and in the format requested by Southwark.
14. Promotional literature and web links were sent to the energy management team from GPS, and clarifications sought over email prior to the evaluation.
15. The information received from GPS, whilst not a formal tender response, enabled officers to make comparisons of the gas supply contracts and associated services provided by the two framework agreements.

### **Evaluation**

16. The evaluation panel was comprised of staff from the Council's energy management team and the sustainable services management accountant.
17. Following individual evaluation, staff then met to agree consolidated scores and findings for each of the responses.
18. Further guidance and advice was taken from environment and leisure's procurement manager, and the contracts principal legal officer prior to and after evaluation.

19. Responses were evaluated according to quality criteria as outlined in the Gateway 1 report. The information supplied was evaluated according to the criteria and weightings detailed below:
- a. Options available (10%) for the supply of gas to sites consuming more than 25,000 therms contract, managed and unmanaged solutions;
  - b. Purchasing options available (10%) e.g. PIA or PWP;
  - c. How energy purchasing decisions are made (10%), including risk management strategies adopted;
  - d. Transition from the old to the new contract (9%);
  - e. Tender Process (8%) including OJEU notice, evaluation criteria and weightings;
  - f. Services offered (8%) including bill validation, contract reporting etc;
  - g. Terms & Conditions (7%), SLAs and termination periods;
  - h. Requirements for adding/deleting sites (6%);
  - i. Contract Management Structure (6%);
  - j. Recovery fees breakdown (5%);
  - k. Contract Management arrangements with the supplier (5%);
  - l. Additional relevant services available (5%);
  - m. Invoicing arrangements and time periods (4%);
  - n. Support available for Carbon Reduction Commitment and reducing energy across the council estate (4%);
  - o. Reconciliation arrangements (3%), and;
  - p. Details of quality assurance systems, internal policies and procedures (e.g. equal opportunities policies) and health and safety at work record (pass/fail)
20. A score was allocated for each of the criteria detailed above, ranging from 1 to 5 as follows:

| Score | Criterion                                                                                                                                                                                    |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0     | Failed to submit examples or a method statement or address the requirements in full.                                                                                                         |
| 1     | Limited information with poor supporting evidence and lacks clarity.                                                                                                                         |
| 2     | Answer meets some, but not all, of the requirement or provides some examples which have similar aspects. Lacks convincing evidence and understanding of the requirement.                     |
| 3     | Acceptable information or relevant examples. Answer is comprehensible.                                                                                                                       |
| 4     | Above acceptable – answer demonstrates real understanding and gives much more detail or provides good examples of similar experience.                                                        |
| 5     | Excellent answer – gives real confidence that the information provides much more added value, is realistic and achievable and gives greater understanding than that of an acceptable answer. |

21. Following consolidation of the scores, each score was then averaged, resulting in the following average scores and weighted scores:

| <b>Criteria (*ref para 14)</b> | <b>Government Procurement Services</b> | <b>Weighted Score</b> | <b>LASER Energy Buying Group</b> | <b>Weighted Score</b> |
|--------------------------------|----------------------------------------|-----------------------|----------------------------------|-----------------------|
| a                              | 3                                      | 30                    | 4                                | 40                    |
| b                              | 3                                      | 30                    | 3                                | 30                    |
| c                              | 2                                      | 20                    | 4                                | 40                    |
| d                              | 5                                      | 45                    | 5                                | 45                    |
| e                              | 4                                      | 32                    | 2                                | 16                    |
| f                              | 1                                      | 8                     | 5                                | 40                    |
| g                              | 3                                      | 21                    | 3                                | 21                    |
| h                              | 4                                      | 24                    | 4                                | 24                    |
| i                              | 2                                      | 12                    | 2                                | 12                    |
| j                              | 3                                      | 15                    | 5                                | 25                    |
| k                              | 1                                      | 5                     | 3                                | 15                    |
| l                              | 2                                      | 10                    | 3                                | 15                    |
| m                              | 0                                      | 0                     | 3                                | 12                    |
| n                              | 0                                      | 0                     | 3                                | 12                    |
| o                              | 2                                      | 6                     | 3                                | 9                     |
| p                              | pass                                   | -                     | pass                             | -                     |
| <b>Total</b>                   |                                        | <b>228</b>            |                                  | <b>356</b>            |

**Table 1: Average and weighted scores from information supplied**

22. In accordance with the selection criteria outlined, and following consideration of the two proposals it became clear that Buying Solutions couldn't provide the managed solution that the council might require, hence why GPS scored low on certain criteria. Although the unmanaged solution appeared to present the best option for the council, leaseholders and schools initially, it became clear that the most advantageous solutions were presented by LASER, and this report therefore recommends their use.
23. The cabinet will note that there are 2 instances where criteria scored below acceptable (i.e. below 3) for LASER. This score was given as the information and supporting evidence that was provided was limited i.e. it did not suggest that processes and structures were not in place, and further information was not available/could not be provided.
24. Prior to the agreement with LASER being signed, the energy management team will ensure that an acceptable amount of information and supporting evidence is provided. This includes details on the evaluation scores applied for Total Gas and Power, and direct contract management. It is important to note that whilst not a factor used during evaluation, the experience of the current contract management with LASER from the energy management team is that they provide a extremely proficient service.

25. LASER provide two options for the management of the contract. Their fully managed service is charged, and fixed as an addition on the unit energy cost. This is added to the invoice sent to each individual site e.g. a percentage of the p/kwh price. The services provided for a fully managed service include;
- Arrangements for the suppliers send bills to LASER who check for accuracy, and act to resolve supply queries
  - Validation of pass through cost e.g. those from network operators
  - Bill payment administration charges
  - Electronic billing information
  - Site contact, central point of contact and support
26. The service charge is calculated from the total anticipated levels of gas consumption for all sites included in this contract. Based on gas use in 2009/10 for the 132 sites supplied through this contract the annual charge for the LASER managed service would amount to £32,969.
27. LASER's unmanaged service is known as the Procurement Only Service Option (POSO) and as Cabinet will noted is the recommended option for the authority. LASER secure gas prices from the wholesale market on behalf of the consortium. Total Gas and Power would directly invoice sites for the amount of gas used. Sites are responsible for monitoring the accuracy of invoices. Electronic copies of the bills can also be sent direct to the authority on the framework and/or the site contact.
28. For the unmanaged service LASER charge an annual fee per meter and will invoice Southwark directly for this. There are 205 meters installed across the 132 sites on the contract. The annual charge, based on the 2009/10 supply, would be £14,040.
29. Southwark has the option to change between a managed and unmanaged service throughout the duration of the contract.
30. Management options will be evaluated considering the purchasing solutions proposed/and or adopted, whilst having due regard for the financial benefit to the Council, tenants, leaseholders and schools.
31. The energy management team will undertake the evaluation prior to the 31 March 2012, and throughout the duration of the contract, presented as part of the 6 monthly performance reviews.
32. It is proposed that the decision, whether to change the management option, is to be taken by the cabinet member for transport, environment and recycling. Authority is therefore sought from the leader to delegate the decisions to the cabinet member.

#### **Plans for the transition from the old to the new contract**

33. The energy management team will liaise individually with sites, manage the transfer of gas accounts and supply details from the existing supplier (British Gas Business) to the new supplier Total Gas and Power prior to the supply date in October 2012.

### Plans for monitoring and management of the contract

34. The overall performance of the contract with LASER will be monitored by the energy management team. The following indicators will be used to measure the performance;
  - Gas purchasing price against market benchmarks
  - Market and LASER price forecast
35. Performance will be measured via;
  - Quarterly newsletters issued after governance panel meetings (detailed in paragraph 31)
  - Bespoke reporting to the energy management team upon request
  - Bi annual members meeting
36. LASER undertake market analysis on an ongoing basis, and a strategy is agreed with the Governance Panel on a quarterly basis. Purchases are reviewed for compliance with the agreed strategy which defines roles, responsibilities and purchasing authority. The purchasing and risk strategy is monitored and agreed by the Panel made up of representatives from:-
  - Kent County Council, Commercial Services – Director and Head of Finance
  - LASER executive – Director and three purchasing managers
  - Chair of London Boroughs Energy Group (currently LB Sutton)
  - County council
  - District council
  - Independent industry consultant (currently Cornwall Consulting)
37. Within LASER a weekly meeting of purchasing managers is convened to consider purchases within the strategy and to set caps and collars as applicable. Ad hoc meetings take place on a daily basis.
38. LASER monitor performance of the agreement with Total Gas and Power through a service level agreement and series of key performance indicators. Conference calls are held weekly, with face to face meetings on a quarterly basis.
39. The following indicators will also be used to measure performance from Total Gas and Power on an ongoing basis using a dedicated issues log maintained by the energy management team;
  - Enquiry response times
  - New site response times
  - Bill accuracy
  - Meter read anomalies
40. A dedicated customer services representative will be established with Total Gas and Power to respond to queries and act as the central point of contact.

### **Performance bond/Parent company guarantee**

41. A performance bond is not needed for the framework contract. LASER is a local government purchasing consortium and is part of Kent County Council who are a public body.
42. Industry regulators OFGEM are responsible for appointing a supplier if Total Gas and Power were to cease trading, thus the sites supplied would be protected ensuring a smooth provision of service.

### **Community impact statement**

43. This contract covers gas supplies to central boiler systems which provide heating to smaller housing estates. As energy prices are expected to increase it 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 purchase gas at a wholesale rather than market rate, and 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.
44. An application has been made to the Leaseholders Valuation Tribunal for dispensation to give leaseholders prices in advance of gas, as this is unknown as yet (details in paragraphs 71 - 73). Dispensation was granted on the 22 August 2011.
45. The second stage of consultation with leaseholders, the Notice of Proposal, requires that the council consult on the cost of the contract. Notice of Proposal was served by the 30 August 2011 advising leaseholders of the overhead costs associated with LASER, which are estimated to be between 0.07% and 1.05% of the overall cost for heating and hot water.
46. The statutory consultation period with leaseholders for the contract has not ended, and inclusion of housing blocks in the framework agreement with LASER would be subject to observations made during this period. It should be noted that blocks can be added or taken out of the framework agreement at any time.
47. The charges apportioned to leaseholders for the LASER'S Procurement Only Service Option represents 1.05% of the total costs of the contract (see table 1). This is considerably less than the cost presented by not using a framework provider. The average contract rate for LASER from April 2011 to September 2011 was 2.81ppkWh. The current market rate is over 150% the price of the existing contract rate at 7.488pp/kwh.

### **Sustainability considerations (Including Economic, Social and Environmental considerations)**

48. This contract is concerned with securing natural gas supplies to heating systems. As such, there are no sustainable alternatives for this form of supply.

### **Market considerations**

49. 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.
50. Due to the nature of the energy supply market requirements for suppliers to support local employment would be inappropriate.

### **Staffing implications**

51. 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 and sites to resolve any outstanding queries and manage the transition of the contract as detailed in paragraph 34.

### **Financial implications**

52. The estimated contract costs have been based on current wholesale costs and the existing sites utilising the framework agreement. The actual use of gas and resultant cost is unknown which is why an estimated use based on previous figures has been supplied.
53. 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. This includes sites such as Rotherhithe Library and 91 Peckham High Street, and may result in some fluctuations to the total contract price predicted consumption rates for these will be accounted for with the departmental finance team throughout the duration of the contract.
54. 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.
55. The predicted contract costs are set out in the table below, including LASER'S service charges (detailed in paragraphs 27 - 28).
56. Where the authority can route the supply of gas through one meter on some sites, LASER's service charges will be reduced. The energy team will work with Total Gas and Power, and facilities managers at the individual sites to implement this where practicable.

| budget        | Current estimated annual cost (based on 2009/10 gas use) | Procurement Only Service Option Annual Costs | 4 year cost       | 4 year Procurement Only Service Option cost |
|---------------|----------------------------------------------------------|----------------------------------------------|-------------------|---------------------------------------------|
| HRA           | £192,000                                                 | £2016                                        | £768,000          | £8064                                       |
| general fund  | £294,000                                                 | £7992                                        | £1,176,000        | £31,968                                     |
| schools       | £518,500                                                 | £4032                                        | £2,074,000        | £16,128                                     |
| <b>Totals</b> | <b>£1,004,500</b>                                        | <b>£14,040</b>                               | <b>£4,018,000</b> | <b>£56,160</b>                              |
|               | <b>£1,018,540</b>                                        |                                              | <b>£4,074,160</b> |                                             |

**Table 1 Estimated Contract Costs and service charges**

\* 9/10 data is the most up to date consumption data currently available for the sites included in the contract

### Legal implications

57. Please see paragraph numbers 62 - 65.

### Consultation

58. 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.

59. Officers in home ownership have been consulted and advised on the process for notifying leaseholders. Detailed comments are included in paragraphs 71 - 76.

60. Schools and leisure centres included in the contract notification will be sent notification of the contract changes with an option for their site to opt prior to the start in September 2012.

### Other implications or issues

61. There are no other implications or issues.

### SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

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

62. This report seeks the cabinet's approval to the award of contract for the supply of gas to all sites consuming under 25,000 therms. This is to be by way of a tripartite agreement with LASER, and their supplier Total Gas and Power, as noted in paragraph 1.

63. At an estimated value of over £4 million this contract is a Strategic Procurement, the award of which is reserved to the cabinet. The nature and value of this contract are such that the contract is also subject to the full application of the EU procurement regulations. The report at paragraph 6 confirms the procurement process undertaken by LASER to appoint Total Gas and Power, which was undertaken in accordance with the EU procurement regulations. The council may therefore use this framework without a further process of tendering.



64. Recommendation 2 requires the Leader to delegate approval to the cabinet member for transport, environment and recycling to agree certain decisions relating to this contract during the contract period. The cabinet and leader are advised that by virtue of Section 14 of the Local Government Act 2000 (as amended) the leader may delegate these decisions to a member of the cabinet.
65. In accordance with Contract Standing Order 2.3 this report confirms the financial implications of this award and how the contract is to be funded.'

#### **Finance Director**

66. This report recommends the use of LASER for the procurement of the supply of gas to all sites consuming less than 25,000 therms per annum, commencing on 1 October 2012.
67. The estimated value is £4,074m, although 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.
68. The initial recommendation is that the contract is let using the procurement only service option (POSO), rather than the purchase in advance option.
69. The report also recommends that the leader of the council should delegate authority to the cabinet member for transport, environment and recycling to approve and amend the purchasing solution to take advantage of the option to swap options between POSO and purchase in advance by the 31 March deadline.
70. Market prices should be monitored, and reported through the 2012/13 - 2014/15 budget setting mechanism if significant inflationary increases are forecast.

#### **Head of Home Ownership**

71. Statutory consultation with leaseholders is required under Section 20 of the Landlord and Tenant Act 1985 (as amended) where a contract is for more than 12 months and where the cost is estimated to be more than £100 per leaseholder in any financial year. This contract does not fit into the statutory framework because there are 2 aspects to the contract that are separately negotiated: the wholesale gas supplied by Total Gas and Power to sites within LASER's framework contract, and LASER's overhead costs. Individually neither aspect of the contract meets the statutory requirement to consult, because the gas costs are not negotiated for a fixed term of 12 months or more, and the overhead costs are below the financial limit for consultation.
72. Because the experience to leaseholders is that of a qualifying agreement, consultation on this contract is being carried out as though it was a qualifying agreement under the terms of the Act. The nature of the procurement process is such that the gas costs cannot be identified in advance and therefore cannot be provided to leaseholders in the way that the consultation regulations require. On this aspect of the requirement, dispensation has been sought from the Leasehold Valuation Tribunal. The application was heard and dispensation granted on 22 August 2011.

73. Notice of Intention was served on all leaseholders affected by this contract on 13th June 2011 and expired on 2nd August 2011. There were 38 observations on the contract. The majority of the observations queried whether they were affected by a district system, and whether they could opt out of it. Although some observations raised queries about the methodology, none of the observations raised issues that would suggest that the contract should not go ahead, and some observed that the methodology proposed would procure gas at a competitive cost.
74. The second stage of consultation, Notice of Proposal, requires that the council consult on the cost of the contract. Notice of Proposal is to be served by 30 August 2011 advising leaseholders of the overhead costs associated with LASER, which are estimated to be between 0.07% and 1.05% of the overall cost for heating and hot water. With regard to the gas costs the notice advises that, although under this arrangement the council is able to procure gas at a competitive price in the market, costs cannot be known in advance, and that an application has been made to the LVT for dispensation from the requirement to give leaseholders prices in advance of procurement.
75. The statutory consultation period for the contract has not ended and inclusion of blocks in the framework agreement with LASER would be subject to observations made during this period. Inclusion of any housing contracts within the framework would be subject to the outcome of the LVT hearing with regard to dispensation on the consultation on gas prices. The procurement officer confirms that blocks can be added or taken out of the framework agreement at any time if observations are received that indicate that this is appropriate or if the LVT decision is such that the gas costs cannot be recharged. It should be noted that the previous framework agreement was subject to a similar LVT application which was granted.
76. For the purposes of levying a service charge for the costs associated with the heating and hot water it will be necessary to ensure that these costs can be easily obtainable on a heating estate level.

### **Head of Procurement**

77. This report is seeking approval to award a gas supply contract for under 25,000 therms to Total Gas and Power via Laser. This is a tri partite contract with Laser providing additional management services.
78. Paragraphs 11 - 15 describe the procurement process that was followed and explain how two existing gas supply frameworks were assessed and compared. Paragraph 15 confirms that whilst GPS could not formally tender, the information provided enabled officers to carry out a comparison of the two contracts available.
79. Paragraphs 16 - 21 describe the evaluation that was undertaken and confirm that Laser scored higher than GPS. Laser are able to offer two levels of management services as well as two approaches to purchasing. The decision relating to the purchasing approach can be taken nearer the time of the contract start and can be changed if necessary during the life of the contract. Paragraph 27 confirms that at the start of the contract the unmanaged service level will be adopted however, there will be ongoing review of this arrangement and if

necessary the council could switch to the higher level of management available from Laser.

80. Paragraphs 34 - 40 describe how this contract will be managed and monitored. The energy management team will be tracking the performance of this contract and carrying out regular reviews to ensure the most appropriate purchasing approaches are taken.
81. This contract appears to offer the council a good level of flexibility which will provide a mechanism for the council to respond to the market and achieve the best value possible.

### BACKGROUND DOCUMENTS

| Background Documents                                                                                      | Held At                                                                          | Contact                                                                       |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Energy Contracts Schedule                                                                                 | Sustainable Services<br>Southwark Council<br>160 Tooley Street<br>London SE1 2QH | Andrew Chandler<br>Sustainable Services<br>Manager<br>020 7525 3804           |
| Gateway 1 Procurement<br>Strategy Approval Supply of<br>gas to sites consuming more<br>than 25,000 therms | Constitutional Team<br>Southwark Council<br>160 Tooley Street<br>London SE1 2QH  | Paula Thornton/Everton<br>Roberts<br>Constitutional Officers<br>020 7525 4395 |

### APPENDICES

| No.  | Title |
|------|-------|
| None | None  |

**AUDIT TRAIL**

|                                                                         |                                                                |                                              |           |
|-------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------|-----------|
| <b>Cabinet Member</b>                                                   | Councillor Barrie Hargrove, Transport, Environment & Recycling |                                              |           |
| <b>Lead Officer</b>                                                     | Ian Smith, Head of Sustainable Services                        |                                              |           |
| <b>Report Author</b>                                                    | Andrew Chandler, Sustainable Services Manager                  |                                              |           |
| <b>Version</b>                                                          | Final                                                          |                                              |           |
| <b>Dated</b>                                                            | 8 September 2011                                               |                                              |           |
| <b>Key Decision?</b>                                                    | Yes                                                            | <b>If yes, date appeared on forward plan</b> | June 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                                          |           |
| <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>                    | 8 September 2011                                               |                                              |           |

|                                    |                                |                                                     |                                 |
|------------------------------------|--------------------------------|-----------------------------------------------------|---------------------------------|
| <b>Item No.</b><br>19.             | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Motions Referred from Council Assembly              |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All                                                 |                                 |
| <b>From:</b>                       |                                | Strategic Director of Communities, Law & Governance |                                 |

### RECOMMENDATION

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

### BACKGROUND INFORMATION

2. Council assembly at its meeting on Wednesday, 6 July 2011 agreed a number of motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motions referred to it. Any proposals in a motion are treated as a recommendation only. The final decisions of the cabinet will be reported back to the next meeting of council assembly. When considering a motion, cabinet can decide to:
  - Note the motion; *or*
  - Agree the motion in its entirety, *or*
  - Amend the motion; *or*
  - Reject the motion.

### KEY ISSUES FOR CONSIDERATION

4. In accordance with council assembly procedure rule 2.9(6), the attached motions were referred to the cabinet. The cabinet will report on the outcome of its deliberations upon the motions to a subsequent meeting of council assembly.
5. The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and to the cabinet for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis.
6. Any key issues, such as policy, community impact or funding implications are included in the advice from the relevant chief officer.

### BACKGROUND DOCUMENTS

| Background Papers                                                             | Held At                                | Contact                                             |
|-------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------|
| Motions submitted in accordance with council assembly procedure rule 2.9 (6). | 160 Tooley Street<br>London<br>SE1 2QH | Lesley John<br>Constitutional Team<br>020 7525 7228 |

**APPENDICES**

| <b>Number</b> | <b>Title</b>                                                      |
|---------------|-------------------------------------------------------------------|
| Appendix 1    | Motion on themed debate: Achievements of Southwark's young people |
| Appendix 2    | Homes for families                                                |
| Appendix 3    | Southwark's housing investment programme                          |
| Appendix 4    | Protecting Southwark Park                                         |

**AUDIT TRAIL**

|                                                                         |                                       |                          |
|-------------------------------------------------------------------------|---------------------------------------|--------------------------|
| <b>Lead Officer</b>                                                     | Ian Millichap, Constitutional Manager |                          |
| <b>Report Author</b>                                                    | Lesley John, Constitutional Officer   |                          |
| <b>Version</b>                                                          | Final                                 |                          |
| <b>Dated</b>                                                            | 8 September 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 Environment & Leisure                             | Yes                                   | Yes                      |
| Strategic Director of Children's Services                               | Yes                                   | Yes                      |
| Strategic Director of Housing Services                                  | Yes                                   | Yes                      |
| Strategic Director of Communities, Law & Governance                     | No                                    | No                       |
| <b>Cabinet Member</b>                                                   | No                                    | No                       |
| <b>Date final report sent to Constitutional Team</b>                    | 8 September 2011                      |                          |

**APPENDIX 1****Motion on themed debate: Achievements of Southwark's young people**

At council assembly on Wednesday 6 July 2011 a motion on the achievements of Southwark's young people was moved by Councillor Veronica Ward and seconded by Councillor Renata Hamvas. The motion was agreed and stands referred to the cabinet as a recommendation.

**Recommendation**

1. That council assembly recognises and celebrates the achievements of Southwark's children and young people; their sporting achievements; their improving attainment including record GCSE results; their contribution to the arts especially music and drama and their contribution to our communities.
2. That it be noted that this administration's support for young people includes free healthy school meals for primary school children, keeping all our children's centres open, setting up a £3 million Youth Fund and setting up a Teenage Pregnancy Commission. This council also notes the investment put into our leisure centres and this administration's commitment to a leisure centre at the Elephant and Castle and to a continuation of community games despite financial constraints.
3. That council assembly believes that sports can make a significant difference to the lives of young people and that it delivers a wide range of benefits, from improving young people's health to encouraging team working and embedding discipline. It is a core offer for all our young people, as well as an important element of our targeted interventions for vulnerable young people.
4. That council assembly notes the significant reductions in funding for sports made by government:
  - Withdrawal of free school swimming
  - Withdrawal of funding to the School Sports Partnership
  - Withdrawal of funding available to the council and to national sporting bodies to support community led sport.
5. That council assembly believes that despite these cuts it is vitally important that the council continues to ensure that young people in Southwark have access to sport and sporting opportunities.
6. That council assembly notes the focus of the debate as outlined to all councillors in advance:
  - Showcasing the talents and potential of young people in Southwark
  - What sport means to young people, and the capacity of sport to open pathways to broader opportunities and achievements
  - How different sectors and partners can work together at a time when budgets are tight to maximise provision and access to sport for young people.

7. That council assembly believes that securing future sporting opportunities in Southwark require the following questions to be discussed:
- How can the council continue to ensure that young people have access to sport and sporting opportunities, with little direct funding, by working with the voluntary, community, educational and private sectors?
  - How can the council work to make sure that all resources available for sport, both facilities and available funding, are maximised across all departments and communities?
  - What are the most effective ways that the council can use its limited resources to encourage young people to get involved in sport?
8. That council assembly calls on the cabinet to note the content of the debate and points raised to feed into a review of the council's sports strategy which runs to 2013.

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

Although it is clear that times are challenging, the Community Sport Team will continue to work with clubs and a range of public and private sector partners to build capacity; bring in whatever funding is available and ensure that work is co-ordinated and efforts are maximised.

The Council will also continue to work with 'Proactive Southwark', the local County Sports Partnership. The Partnership brings together all the major providers of sport and physical activity in strategic and service delivery groups. Members include: Sport and Leisure, Children's Services and Regeneration representatives from the Council as well as schools; local community sports providers (eg Millwall, Salmon); the PCT; Southbank University; Fusion; Community Action Southwark; 'Interactive' (which promotes sport for people with disabilities); the Chamber of Commerce and others.

Involving young people in sport and maintaining their interest is a major focus of all the partners in Proactive Southwark, not least the Council's own Community Sports Team. Work streams are specifically aimed at finding ways in which children can be engaged in good quality, well-delivered and enjoyable physical activity programmes which will encourage them to join in school-based competitions and/or out of school. Examples of this include the Southwark Community Games (delivered in schools and on estates) and the London Youth Games. The various partners are also involved in the promotion of coach education and volunteering so that children who wish to develop their interest in sport by joining a club find people there ready to guide and instruct them. Other efforts are geared at ensuring that children are not excluded by virtue of disability and that there are also opportunities for those who wish to be involved in alternative types of physical activity (eg dance; street games or active travel).



In addition to this, one of the key work streams in the Council's Olympics work programme focuses on young people, delivering opportunities for them to gain volunteering experience, to attend the Olympics as spectators and to make continued use of facilities that will be improved or provided as part of the Capital Legacy programme. This work stream involves close working between Leisure and Well-being, the Youth Service, other Council services and community organisations.

Fusion, the Council's leisure management contractor, also offers a wide programme of activity to Southwark's young people with specific youth provision being planned at Camberwell, swimming lessons for young people at the Council's pools, part funding of the Community Games programme, links with schools and pricing policies enabling young people to access services at low cost.

### **Comments of the Strategic Director of Children's Services**

Children's Services, too, continues to provide a wide range of opportunities including sports as well as arts and drama through its youth service. Despite reductions in funding, we are committed to ensuring that our children and young people have the best opportunities to thrive and we will continue to strive to offer good quality youth provision that meets their needs. This involves working with partners including the voluntary and community sector to maximise available resources and use these as effectively and efficiently as possible. For example, the Damilola Taylor Centre continues to provide both excellent sporting opportunities and sporting facilities for young people from across the borough, with up to 100 young people attending these activities on a daily basis throughout the summer holidays. In addition, we have invested in expanding the range of facilities including the Belair Park Recreation Rooms and Camberwell Baths youth wing, with the former already now providing high-quality outdoor sporting opportunities, and the latter due to open shortly.

### **Homes for Families**

At council assembly on Wednesday 6 July 2011 a motion on homes for families was moved by Councillor Rosie Shimell and seconded by Councillor. Michael Bukola. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

### **Recommendation**

1. That council agrees that good quality housing can play an important role in shaping the future, health and well-being of young people in our borough.
2. That council therefore regrets the actions of the Tory Liberal Democrat government to threaten Southwark tenants security of tenure, cut Southwark's housing revenue account, halve the amount of decent homes funding Southwark is to receive, cap housing benefit and introduce rents of up to 80% of market value, making many properties unaffordable to people living in the borough – all of which will impact upon the future health, happiness and well-being of young people in our borough.
3. That council also regrets the failure of the previous Liberal Democrat administration to set out a coherent housing programme that addressed the needs of people in Southwark and was based on spending money that was not available to the council at the time.
4. That council welcomes the current administration's pledges to; make every council home warm, dry and safe by 2014/15, and believes the new housing investment programme will help to secure a better future for our young people by bringing every Southwark home up to a decent standard, by letting tenants know when they can expect improvements and by being based on funding available to the council to ensure that it is actually delivered unlike the previous Liberal Democrat administration's disastrous programme.

### **Comments of the Strategic Director of Housing Services**

The Cabinet agreed a revised housing investment strategy on 31 May 2011 which replaced the interim Southwark Decent Homes standard with the Government's Decent homes standard. Approval was also given to a minimum housing investment programme of major works to the value of £326.5m over the next five years to ensure that the council's homes were invested in to make them warm, dry and safe. Consultation on the draft five year programme has been in progress since June 2011. Feedback has been from individual residents, T&RAs, and Area Forums and were analysed during August 2011 before consulting with the Decent Homes Review working party and Tenants Council and Homeowners Council to get their feedback. Any resulting changes will be made to the draft programme which will then be the subject of a report to be considered by the Cabinet in October 2011. When the programme is confirmed, detailed surveys will be undertaken for each package of works and there will be scheme specific consultation with residents.

**APPENDIX 3****Southwark's housing investment programme**

At council assembly on Wednesday 6 July 2011 a motion on Southwark's housing investment programme was proposed by Councillor Ian Wingfield and seconded by Councillor Gavin Edwards. The motion was agreed and stands referred to the cabinet as a recommendation.

**Recommendation**

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

### **Comments of the Strategic Director of Housing Services**

The Cabinet agreed a revised housing investment strategy on 31 May 2011 which replaced the interim Southwark Decent Homes standard with the Government's Decent homes standard. Approval was also given to a minimum housing investment programme of major works to the value of £326.5m over the next five years to ensure that the council's homes were invested in to make them warm, dry and safe. Consultation on the draft five year programme is nearing completion and a report to confirm the new programme will be considered by the Cabinet in October.

It was also decided that arrangements should be made for the new Head of Major Works to come back to Cabinet with detailed proposals to develop and agree a 30 year asset management plan. Initial work has begun on this process in the Housing Services Department; it is estimated that the plan should be in place by April 2012 to coincide with the start of delivery of the 5 year programme.

The projected funding for the 5 year programme has been identified based on realistic assumptions about the various streams available, and also the improvements that can be gained in efficiency and cost in the delivery of the programme on the ground. Traditionally, the housing investment programme (HIP) has been delivered in any one year to the full extent of the resources available. The new major works partnering contracts have been geared to respond if additional resources can be made available, and to be more flexible over time. One significant resource strand, the government's Decent Homes backlog funding, is yet to benefit the HIP, but confirmation has been received from CLG that the year 2 (2012/13) allocation to Southwark will be made available as grant rather than as an adjustment to debt.

**APPENDIX 4****Protecting Southwark Park**

At council assembly on Wednesday 6 July 2011 a motion on protecting Southwark Park was proposed by Councillor Jeff Hook and seconded by Councillor Paul Noblet. The motion was agreed and motion stands referred to the cabinet as a recommendation.

**Recommendation**

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

**Comments of the Deputy Chief Executive**

UK Power Network Services approached the council for pre-application planning advice on 25 March 2011, with additional information provided on 26 April 2011. The proposal was for an access shaft in Southwark Park to construct a tunnel 2.8 metres in diameter 25 metres below the ground. A works compound of approximately 4500 square metres was proposed.

Many elements of power supply infrastructure fall within permitted development, such as the tunnel itself, and are therefore not subject to control by the local planning authority. Planning permission is, however, required for the works compound and the follow up remedial landscaping works.

Officers met UK Power Networks in May 2011 and subsequently gave written advice. There were some fundamental land use policy objections to the proposal - the key one being saved policy 3.25 of the Southwark Plan on metropolitan open land. In addition, the disturbance to residents arising from the 24 hour working close to their houses and flats was a major concern. Officers advised that they were not satisfied that this site has been selected after a proper evaluation of alternative options, including a different tunnel route, which may offer less sensitive locations for the works compound. As a result, it was likely that an application for planning permission would be refused.

There has not been any further follow-up contact from UK Power Networks following the issuing of the written advice.

|                                    |                                |                                                                                                 |                                 |
|------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------|
| <b>Item No.</b><br>13.             | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                                               | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Gateway 2 – Contract Award Approval<br>Supply of gas to sites consuming more than 25,000 therms |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All wards                                                                                       |                                 |
| <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 purchase the supply of electricity and gas to a number of sites across the borough. The Gateway 1 report that was approved in June 2011 presented an approach using a Central Purchasing Body (CPB) for the supply of gas to sites consuming more than 25,000 therms of gas per year.

This report recommends the use of LASER Energy Buying Group's Procurement Only Service Option (POSO), and the supplier they have secured for gas, namely Total Gas and Power. As part of a consortium of authorities using this framework contract Southwark Council does not need to go through the OJEU 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.

## **RECOMMENDATIONS**

### **Recommendation for the Cabinet**

1. That the cabinet approve the award of the supply of gas to all sites consuming over 25,000 therms to LASER in the form of a tripartite agreement with Total Gas and Power using the Procurement Only Service Option (POSO). The estimated sum of £7,120,840 for a period of four years (with effect from 1 October 2012) making a total contract value of £28,483,360. This includes management fees from LASER.

### **Recommendation for the Leader of the Council**

2. That the leader delegates authority to the cabinet member for transport, environment and recycling, prior to, and throughout the duration of the contract (as detailed in the procurement project plan and timeline, paragraph 4) to;
  - approve the management option selected for the contract, and consider the flexibility to change the management option (detailed in paragraphs 25 - 32), and;
  - amend the purchasing solution (Purchase in Advance or Purchase within

Period detailed in paragraph 8).

## BACKGROUND INFORMATION

3. The recommendation of this report is that the gas requirements of this existing contract are secured via a four year framework contract which expires 30 September 2016. As gas is a volatile traded commodity, the 'wholesale' cost of gas has been excluded from the tender (gas will be purchased from the wholesale market at different times both before and during the contract term). This contract has therefore not been awarded on the basis of gas price. The contract costs set out above are therefore estimates, and actual costs will depend upon market conditions and purchasing decisions taken during the contract.
4. This contract has no extension duration built into the contract.

## Procurement project plan

| Activity                                                                                                                  | Date completed                     |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Forward Plan (if Strategic Procurement)                                                                                   | 01/06/2011                         |
| DCRB/CCRB/CMT<br>Review Gateway 1: Procurement Strategy Approval                                                          | DCRB 01/06/2011<br>CCRB 02/06/2011 |
| Issue Notice of Intention<br><i>Note: this is for contracts that only affect Leaseholders. This period is for 8 weeks</i> | 13/06/2011                         |
| <b>Gateway 1:</b> Procurement strategy for approval 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                                                                      |                                    |
| Council evaluation of consortia                                                                                           | 01/08/2011                         |
| Council evaluation of purchasing solution                                                                                 | 01/08/2011                         |
| Issue Notice of Proposal<br><i>Note: this is for contracts that only affect Leaseholders. This period is for 8 weeks</i>  | w/c 28/08/2011                     |
| Review Gateway 2: Consortia and Contract award report                                                                     | DCRB 23/08/2011<br>CCRB 25/08/2011 |
| Notification of forthcoming decision                                                                                      | 02/09/2011                         |
| Approval of <b>Gateway 2:</b> Contract Award Report (this report)                                                         | 20/09/2011                         |

| Activity                                                                                                                        | Date completed         |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Scrutiny Call-in period and notification of implementation of Gateway 2 decision                                                | 30/09/2011             |
| Place award notice in Official Journal of European Union (OJEU)                                                                 | Completed by consortia |
| Standstill period observed between award notice and contract award                                                              |                        |
| Add to Contract Register                                                                                                        | 30/09/2011             |
| Cabinet Member for Transport, Environment and Recycling decision for purchasing option and option to change management solution | 31/03/2012             |
| Start date of Southwark buy-in to the contract                                                                                  | 01/10/2012             |
| 6 monthly contract performance reviews                                                                                          | January & June         |
| Contract completion                                                                                                             | 31/09/2016             |

### Description of procurement outcomes

5. The selection process undertaken by Southwark Council which included seeking interest from LASER and Government Procurement Services (GPS, formerly Buying Solutions), was based on the criteria detailed in the Gateway 1 report. It resulted in a framework contract presented by the LASER Energy Buying being recommended for the supply of gas through a tripartite agreement with Total Gas and Power to sites consuming more than 25,000 therms.
6. Using LASER allows the Council to access wholesale rather than the retail market price for gas supplies to 80 of the larger gas consuming sites in the borough, including communally heated housing estates, larger schools and key municipal offices. In addition, the authority does not need to go through the OJEU tendering process, thus saving time and money.
7. Like any other market a 'trading' function is required, deploys tested and continuously improved buying and risk management strategies, and needs to have appropriate governance arrangements in place. LASER'S approach has been evaluated by the authority to ensure any financial risk to the authority is managed in accordance with Southwark's guiding principles. When considered in conjunction with the volatility of prices in the energy market, it has highlighted the need for the decision, whether to take a Purchase in Advance or Purchase Within Period solution (as detailed in the Gateway 1 report), to be taken closer to the contract start date.
8. It is proposed that the decision (whether to take Purchase in Advance or Purchase within Period), is to be taken by the cabinet member for transport, environment and recycling by the 31 March 2012. This is the latest point we can notify LASER of our preferred purchasing option and will decrease the financial risk to the authority. Authority is therefore sought from the leader to delegate this decision to the cabinet member.



9. Furthermore, if market conditions change presenting an increased financial risk to the authority the cabinet member for transport, environment and recycling has delegated authority to change the purchasing option throughout the duration of the contract. This will be based on criteria evaluated as part of the 6 monthly performance reviews, including;
- Previous PIA and PWP performance, and by further analysing the performance to date of the contract.
  - Market conditions and gas supply to the UK
  - Market forecast and risk to the authority

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

10. There are no policy implications.

### **Comparison process**

11. As outlined in the Gateway 1 procurement strategy, Southwark Council, approached LASER and Government Procurement Services (GPS) to provide detail on the solutions available to Southwark for the supply of gas to sites consuming more than 25,000 therms.
12. At the start of this process the intention was to follow a 'traditional' tender process that would allow the authority to evaluate against set criteria listed in the Gateway 1 report, and detailed in paragraph 19. These criteria were prioritised depending on their importance as defined by the energy management team.
13. However, whilst both LASER and GPS responded, GPS indicated, that as a Public Sector Organisation they could not be seen to be competing with other organisations, and would not provide information for tenders, and in the format requested by Southwark.
14. Promotional literature and web links were sent to the energy management team from GPS, and clarifications sought over email prior to the evaluation.
15. The information received from GPS, whilst not a formal tender response, enabled officers to make comparisons of the gas supply contracts and associated services provided by the two framework agreements.

### **Evaluation**

16. The evaluation panel was comprised of staff from the Council's energy management team and the Sustainable Services Management Accountant.
17. Following individual evaluation, staff then met to agree consolidated scores and findings for each of the responses.
18. Further guidance and advice was taken from environment and leisure's procurement manager, and the contracts principal legal officer prior to and after evaluation.

19. Responses were evaluated according to quality criteria as outlined in the Gateway 1 report. The information supplied was evaluated according to the criteria and weightings detailed below:
- a. Options available (10%) for the supply of gas to sites consuming more than 25,000 therms contract, managed and unmanaged solutions;
  - b. Purchasing options available (10%) e.g. PIA or PWP;
  - c. How energy purchasing decisions are made (10%), including risk management strategies adopted;
  - d. Transition from the old to the new contract (9%);
  - e. Tender Process (8%) including OJEU notice, evaluation criteria and weightings;
  - f. Services offered (8%) including bill validation, contract reporting etc;
  - g. Terms & Conditions (7%), SLAs and termination periods;
  - h. Requirements for adding/deleting sites (6%);
  - i. Contract Management Structure (6%);
  - j. Recovery fees breakdown (5%);
  - k. Contract Management arrangements with the supplier (5%);
  - l. Additional relevant services available (5%);
  - m. Invoicing arrangements and time periods (4%);
  - n. Support available for Carbon Reduction Commitment and reducing energy across the council estate (4%);
  - o. Reconciliation arrangements (3%), and;
  - p. Details of quality assurance systems, internal policies and procedures (e.g. equal opportunities policies) and health and safety at work record (pass/fail)
20. A score was allocated for each of the criteria detailed above, ranging from 1 to 5 as follows:

| Score | Criterion                                                                                                                                                                                    |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0     | Failed to submit examples or a method statement or address the requirements in full.                                                                                                         |
| 1     | Limited information with poor supporting evidence and lacks clarity.                                                                                                                         |
| 2     | Answer meets some, but not all, of the requirement or provides some examples which have similar aspects. Lacks convincing evidence and understanding of the requirement.                     |
| 3     | Acceptable information or relevant examples. Answer is comprehensible.                                                                                                                       |
| 4     | Above acceptable – answer demonstrates real understanding and gives much more detail or provides good examples of similar experience.                                                        |
| 5     | Excellent answer – gives real confidence that the information provides much more added value, is realistic and achievable and gives greater understanding than that of an acceptable answer. |

21. Following consolidation of the scores, each score was then averaged, resulting in the following average scores and weighted scores:

| <b>Criteria (*ref para 14)</b> | <b>Government Procurement Services</b> | <b>Weighted Score</b> | <b>LASER Energy Buying Group</b> | <b>Weighted Score</b> |
|--------------------------------|----------------------------------------|-----------------------|----------------------------------|-----------------------|
| a                              | 3                                      | 30                    | 4                                | 40                    |
| b                              | 3                                      | 30                    | 3                                | 30                    |
| c                              | 2                                      | 20                    | 4                                | 40                    |
| d                              | 5                                      | 45                    | 5                                | 45                    |
| e                              | 4                                      | 32                    | 2                                | 16                    |
| f                              | 1                                      | 8                     | 5                                | 40                    |
| g                              | 3                                      | 21                    | 3                                | 21                    |
| h                              | 4                                      | 24                    | 4                                | 24                    |
| i                              | 2                                      | 12                    | 2                                | 12                    |
| j                              | 3                                      | 15                    | 5                                | 25                    |
| k                              | 1                                      | 5                     | 3                                | 15                    |
| l                              | 2                                      | 10                    | 3                                | 15                    |
| m                              | 0                                      | 0                     | 3                                | 12                    |
| n                              | 0                                      | 0                     | 3                                | 12                    |
| o                              | 2                                      | 6                     | 3                                | 9                     |
| p                              | pass                                   | -                     | pass                             | -                     |
| <b>Total</b>                   |                                        | <b>228</b>            |                                  | <b>356</b>            |

**Table 1: Average and weighted scores from information supplied**

22. In accordance with the selection criteria outlined, and following consideration of the two proposals it became clear that Buying Solutions couldn't provide the managed solution that the council might require, hence why GPS scored low on certain criteria. Although the unmanaged solution appeared to present the best option for the council, leaseholders and schools initially, it became clear that the most advantageous solutions were presented by LASER, and this report therefore recommends their use.
23. The cabinet will note that there are 2 instances where criteria scored below acceptable (i.e. below 3) for LASER. This score was given as the information and supporting evidence that was provided was limited i.e. it did not suggest that processes and structures were not in place, and further information was not available/could not be provided.
24. Prior to the agreement with LASER being signed, the energy management team will ensure that an acceptable amount of information and supporting evidence is provided. This includes details on the evaluation scores applied for Total Gas and Power, and direct contract management. It is important to note that whilst not a factor used during evaluation, the experience of the current contract management with LASER from the energy management team is that they provide an extremely proficient service.

25. LASER provide two options for the management of the contract. Their fully managed service is charged, and fixed as an addition on the unit energy cost. This is added to the invoice sent to each individual site e.g. a percentage of the p/kwh price. The services provided for a fully managed service include;
  - Arrangements for the suppliers send bills to LASER who check for accuracy, and act to resolve supply queries
  - Validation of pass through cost e.g. those from network operators
  - Bill payment administration charges
  - Electronic billing information
  - Site contact, central point of contact and support
26. The service charge is calculated from the total anticipated levels of gas consumption for all sites included in this contract. Based on gas use in 2009/10 for the 80 sites supplied through this contract the annual charge for the LASER managed service would amount to £69,302.00.
27. LASER's unmanaged service is known as the Procurement Only Service Option (POSO) and as Cabinet will note is the recommended option for the authority. LASER secure gas prices from the wholesale market on behalf of the consortium. Total Gas and Power would directly invoice sites for the amount of gas used. Sites are responsible for monitoring the accuracy of invoices. Electronic copies of the bills can also be sent direct to the authority on the framework and/or the site contact.
28. For the unmanaged service LASER charge an annual fee per meter and will invoice Southwark directly for this. There are 120 meters installed across the 80 sites currently on the contract. The annual charge, based on the 2009/10 supply, would be £8,340.
29. Southwark has the option to change between a managed and unmanaged service throughout the duration of the contract.
30. Management options will be evaluated considering the purchasing solutions proposed/and or adopted, whilst having due regard for the financial benefit to the Council, tenants, leaseholders and schools.
31. The energy management team will undertake the evaluation prior to the 31 March 2012, and throughout the duration of the contract, presented as part of the 6 monthly performance reviews.
32. It is proposed that the decision, whether to change the management option, is to be taken by the cabinet member for transport, environment and recycling. Authority is therefore sought from the leader to delegate the decisions to the cabinet member.

### **Plans for the transition from the old to the new contract**

33. The energy management team will liaise individually with sites, manage the transfer of gas accounts and supply details from the existing supplier (British Gas Business) to the new supplier Total Gas and Power prior to the supply date in October 2012.

### **Plans for monitoring and management of the contract**

34. The overall performance of the contract with LASER will be monitored by the energy management team. The following indicators will be used to measure the performance;

- Gas purchasing price against market benchmarks
- Market and LASER price forecast

35. Performance will be measured via;

- Quarterly newsletters issued after governance panel meetings (detailed in paragraph 31)
- Bespoke reporting to the energy management team upon request
- Bi annual members meeting

36. LASER undertake market analysis on an ongoing basis, and a strategy is agreed with the Governance Panel on a quarterly basis. Purchases are reviewed for compliance with the agreed strategy which defines roles, responsibilities and purchasing authority. The purchasing and risk strategy is monitored and agreed by the Panel made up of representatives from:-

- Kent County Council, Commercial Services – Director and Head of Finance
- LASER executive – Director and three purchasing managers
- Chair of London Boroughs Energy Group (currently LB Sutton)
- County council
- District council
- Independent industry consultant (currently Cornwall Consulting)

37. Within LASER a weekly meeting of purchasing managers is convened to consider purchases within the strategy and to set caps and collars as applicable. Ad hoc meetings take place on a daily basis.

38. LASER monitor performance of the agreement with Total Gas and Power through a service level agreement and series of key performance indicators. Conference calls are held weekly, with face to face meetings on a quarterly basis.

39. The following indicators will also be used to measure performance from Total Gas and Power on an ongoing basis using a dedicated issues log maintained by the energy management team;

- Enquiry response times
- New site response times
- Bill accuracy
- Meter read anomalies

40. A dedicated customer services representative will be established with Total Gas and Power to respond to queries and act as the central point of contact.

#### **Performance bond/Parent company guarantee**

41. A performance bond is not needed for the framework contract. LASER is a local government purchasing consortium and is part of Kent County Council who are a public body.
42. Industry regulators OFGEM are responsible for appointing a supplier if Total Gas and Power were to cease trading, thus the sites supplied would be protected ensuring a smooth provision of service.

#### **Community impact statement**

43. This contract covers gas supplies to central boiler systems which provide heating to smaller housing estates. As energy prices are expected to increase it 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 purchase gas at a wholesale rather than market rate, and 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.
44. An application has been made to the Leaseholders Valuation Tribunal for dispensation to give leaseholders prices in advance of gas, as this is unknown as yet (details in paragraphs 71 - 73). Dispensation was granted on the 22 August 2011.
45. The second stage of consultation with leaseholders, the Notice of Proposal, requires that the council consult on the cost of the contract. Notice of Proposal was served by the 30 August 2011 advising leaseholders of the overhead costs associated with LASER, which are estimated to be between 0.07% and 1.05% of the overall cost for heating and hot water.
46. The statutory consultation period with leaseholders for the contract has not ended, and inclusion of housing blocks in the framework agreement with LASER would be subject to observations made during this period. It should be noted that blocks can be added or taken out of the framework agreement at any time.
47. The charges apportioned to leaseholders for the LASER'S Procurement Only Service Option represents 0.07% of the total costs of the contract (see table 1). This is considerably less than the cost presented by not using a framework provider. The average contract rate for LASER from April 2011 to September 2011 was 2.47ppkWh. The current market rate is over 150% the price of the existing contract rate at 7.488pp/kwh.

### **Sustainability considerations (Including Economic, Social and Environmental considerations)**

48. This contract is concerned with securing natural gas supplies to heating systems. As such, there are no sustainable alternatives for this form of supply.

### **Market considerations**

49. 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.
50. Due to the nature of the energy supply market requirements for suppliers to support local employment would be inappropriate.

### **Staffing implications**

51. 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 and sites to resolve any outstanding queries and manage the transition of the contract as detailed in paragraph 34.

### **Financial implications**

52. The estimated contract costs have been based on current wholesale costs and the existing sites utilising the framework agreement. The actual use of gas and resultant cost is unknown which is why an estimated use based on previous figures has been supplied.
53. 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. This includes sites such as Manor Place and Mabel Goldwin House, and may result in some fluctuations to the total contract price. Predicted consumption rates for these will be accounted for with the departmental finance team throughout the duration of the contract.
54. 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.
55. The predicted contract costs are set out in the table below, including LASER'S service charges (detailed in paragraphs 27 - 28).

56. Where the authority can route the supply of gas through one meter on some sites, LASER's service charges will be reduced. The energy team will work with Total Gas and Power, and facilities managers at the individual sites to implement this where practicable.

| budget        | Current estimated annual cost (based on 2009/10 gas use) | Procurement Only Service Option Annual Costs | 4 year cost          | 4 year Procurement Only Service Option cost |
|---------------|----------------------------------------------------------|----------------------------------------------|----------------------|---------------------------------------------|
| HRA           | £6,800,000                                               | £4,600                                       | £27,200,000          | £18,400                                     |
| general fund  | £89,250                                                  | £1000                                        | £357,000             | £4000                                       |
| schools       | £223, 250                                                | £2740                                        | £893,000             | £10,960                                     |
| <b>Totals</b> | <b>£7,112,500</b>                                        | <b>£8340</b>                                 | <b>£28,450,000</b>   | <b>£33,360</b>                              |
|               | <b>£7, 120,840</b>                                       |                                              | <b>£28, 483, 360</b> |                                             |

**Table 1 Estimated Contract Costs and service charges**

\* 9/10 data is the most up to date consumption data currently available for the sites included in the contract

### Legal implications

57. Please see paragraph numbers 62 - 65.

### Consultation

58. 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.
59. Officers in home ownership have been consulted and advised on the process for notifying leaseholders. Detailed comments are included in paragraphs 71 - 76.
60. Schools and leisure centres included in the contract notification will be sent notification of the contract changes with an option for their site to opt prior to the start in September 2012.

### Other implications or issues

61. There are no other implications or issues.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Strategic Director of Communities, Law & Governance

62. This report seeks the Cabinet's approval to the award of contract for the supply of gas to all sites consuming over 25,000 therms. This is to be by way of a tripartite agreement with LASER, and their supplier Total Gas and Power, as noted in paragraph 1.
63. At an estimated value of over £28 million this contract is a Strategic Procurement, the award of which is reserved to the cabinet. The nature and value of this contract are such that the contract is also subject to the full



application of the EU procurement regulations. The report at paragraph 6 confirms the procurement process undertaken by LASER to appoint Total Gas and Power, which was undertaken in accordance with the EU procurement regulations. The council may therefore use this framework without a further process of tendering.

64. Recommendation 2 requires the leader to delegate approval to the cabinet member for transport, environment and recycling to agree certain decisions relating to this contract during the contract period. The cabinet and leader are advised that by virtue of Section 14 of the Local Government Act 2000 (as amended) the leader may delegate these decisions to a member of the cabinet.
65. In accordance with Contract Standing Order 2.3 this report confirms the financial implications of this award and how the contract is to be funded.'

### **Finance Director**

66. This report recommends the use of LASER for the procurement of the supply of gas to all sites consuming over 25,000 therms per annum, commencing on 1 October 2012.
67. The estimated value is for the four year term £28.483m, although 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.
68. The initial recommendation is that the contract is let using the procurement only service option (POSO), rather than the purchase in advance option.
69. The report also recommends that the leader of the council should delegate authority to the cabinet member for transport, environment and recycling to approve and amend the purchasing solution to take advantage of the option to swap options between POSO and purchase in advance by the 31 March deadline.
70. Market prices should be monitored and reported through the 2012/13 – 2014/15 budget setting mechanism if significant inflationary increases are forecast.

### **Head of Home Ownership**

71. Statutory consultation with leaseholders is required under Section 20 of the Landlord and Tenant Act 1985 (as amended) where a contract is for more than 12 months and where the cost is estimated to be more than £100 per leaseholder in any financial year. This contract does not fit into the statutory framework because there are 2 aspects to the contract that are separately negotiated: the wholesale gas supplied by Total Gas and Power to sites within LASER's framework contract, and LASER's overhead costs. Individually neither aspect of the contract meets the statutory requirement to consult, because the gas costs are not negotiated for a fixed term of 12 months or more, and the overhead costs are below the financial limit for consultation.

72. Because the experience to leaseholders is that of a qualifying agreement, consultation on this contract is being carried out as though it was a qualifying agreement under the terms of the Act. The nature of the procurement process is such that the gas costs cannot be identified in advance and therefore cannot be provided to leaseholders in the way that the consultation regulations require. On this aspect of the requirement, dispensation has been sought from the Leasehold Valuation Tribunal. The application was heard and dispensation granted on 22 August 2011.
73. Notice of Intention was served on all leaseholders affected by this contract on 13 June 2011 and expired on 2 August 2011. There were 38 observations on the contract. The majority of the observations queried whether they were affected by a district system, and whether they could opt out of it. Although some observations raised queries about the methodology, none of the observations raised issues that would suggest that the contract should not go ahead, and some observed that the methodology proposed would procure gas at a competitive cost.
74. The second stage of consultation, Notice of Proposal, requires that the council consult on the cost of the contract. Notice of Proposal is to be served by 30 August 2011 advising leaseholders of the overhead costs associated with LASER, which are estimated to be between 0.07% and 1.05% of the overall cost for heating and hot water. With regard to the gas costs the notice advises that, although under this arrangement the council is able to procure gas at a competitive price in the market, costs cannot be known in advance, and that an application has been made to the LVT for dispensation from the requirement to give leaseholders prices in advance of procurement.
75. The statutory consultation period for the contract has not ended and inclusion of blocks in the framework agreement with LASER would be subject to observations made during this period. Inclusion of any housing contracts within the framework would be subject to the outcome of the LVT hearing with regard to dispensation on the consultation on gas prices. The procurement officer confirms that blocks can be added or taken out of the framework agreement at any time if observations are received that indicate that this is appropriate or if the LVT decision is such that the gas costs cannot be recharged. It should be noted that the previous framework agreement was subject to a similar LVT application which was granted.
76. For the purposes of levying a service charge for the costs associated with the heating and hot water it will be necessary to ensure that these costs can be easily obtainable on a heating estate level.

### **Head of Procurement**

77. This report is seeking approval to award a gas supply contract for over 25,000 therms to Total Gas and Power via Laser. This is a tri partite contract with Laser providing additional management services.
78. Paragraphs 11 - 15 describe the procurement process that was followed and explain how two existing gas supply frameworks were assessed and compared. Paragraph 15 confirms that whilst GPS could not formally tender, the information

provided enabled officers to carry out a comparison of the two contracts available.

79. Paragraphs 16 - 21 describe the evaluation that was undertaken and confirm that Laser scored higher than GPS. Laser are able to offer two levels of management services as well as two approaches to purchasing. The decision relating to the purchasing approach can be taken nearer the time of the contract start and can be changed if necessary during the life of the contract. Paragraph 27 confirms that at the start of the contract the unmanaged service level will be adopted however, there will be ongoing review of this arrangement and if necessary the council could switch to the higher level of management available from Laser.
80. Paragraphs 34 - 40 describe how this contract will be managed and monitored. The energy management team will be tracking the performance of this contract and carrying out regular reviews to ensure the most appropriate purchasing approaches are taken.
81. This contract appears to offer the council a good level of flexibility which will provide a mechanism for the council to respond to the market and achieve the best value possible.

#### **BACKGROUND DOCUMENTS**

| <b>Background Documents</b>                                                                               | <b>Held At</b>                                                                   | <b>Contact</b>                                                                |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Energy Contracts Schedule                                                                                 | Sustainable Services<br>Southwark Council<br>160 Tooley Street<br>London SE1 2QH | Andrew Chandler<br>Sustainable Services<br>Manager<br>020 7525 3804           |
| Gateway 1 Procurement Strategy<br>Approval Supply of gas to sites<br>consuming more than 25,000<br>therms | Constitutional team<br>Southwark Council<br>160 Tooley Street<br>London SE1 2QH  | Paula Thornton/Everton<br>Roberts<br>Constitutional Officers<br>020 7525 4395 |

#### **APPENDICES**

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

**AUDIT TRAIL**

|                                                                         |                                                                |                                              |           |
|-------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------|-----------|
| <b>Cabinet Member</b>                                                   | Councillor Barrie Hargrove, Transport, Environment & Recycling |                                              |           |
| <b>Lead Officer</b>                                                     | Ian Smith, Head of Sustainable Services                        |                                              |           |
| <b>Report Author</b>                                                    | Andrew Chandler, Sustainable Services Manager                  |                                              |           |
| <b>Version</b>                                                          | Final                                                          |                                              |           |
| <b>Dated</b>                                                            | 8 September 2011                                               |                                              |           |
| <b>Key Decision?</b>                                                    | yes                                                            | <b>If yes, date appeared on forward plan</b> | June 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                                          |           |
| <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>                    | 8 September 2011                                               |                                              |           |

|                                    |                                |                                                                  |                                 |
|------------------------------------|--------------------------------|------------------------------------------------------------------|---------------------------------|
| <b>Item No.</b><br>14.             | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Energy and Carbon Reduction Strategy                             |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All                                                              |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Barrie Hargrove, Transport, Environment and Recycling |                                 |

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

The burning of fuels to generate electricity and heat, or power travel, releases large amounts of carbon dioxide (CO<sub>2</sub>) into the atmosphere, which is widely thought to be a key contributor to gradual climate change and more frequent extreme weather conditions around the world.

The UK is a net importer of oil and gas, making it increasingly reliant on the relatively few volatile countries with most of the world's oil reserves. In addition, wide-scale closures are planned for both the UK's ageing nuclear plants and many larger coal and gas plants.

The UK government has committed to produce 15% of total energy demand (power, heat and transport fuels) via renewable sources by 2020 meaning a dramatic seven fold increase from 2008 levels. Since on a large scale, it is easier to generate electricity than heat or fuel used for transport from renewable sources, the bulk of this shift will come from the way the UK generates electricity. Today 75% of electricity comes from coal and gas with only 6% coming from renewables, by 2020 this will need to be around 30% if the government is to meet its targets

The Council has two distinct roles to play in reducing CO<sub>2</sub> emissions in the borough; to lead by example and reduce its own energy use; to encourage others within Southwark to reduce their carbon emissions. This report sets out how the Council will do both.

In 2006, the Council set itself an highly ambitious target of an 80% reduction in carbon emissions by 2050. Whilst much work has been undertaken to date, as set out in sections 20 to 34, of this report, to date, little impact on borough emissions has been achieved. This report therefore recommends interim targets for carbon reduction for both the Council's emissions and that of the borough as a whole, up until 2020, to help track progress towards this aspiration.

### **RECOMMENDATIONS**

1. That Cabinet notes the different drivers for Carbon Reduction in Southwark and the work undertaken to date including the green audits of the Council.

2. That Cabinet approves the proposed interim carbon reduction targets set out in section 16.
3. That Cabinet approves the recommendations for further action set out in the body of this report and the Carbon Reduction Action Plan set out in Appendix One.

## REPORT STRUCTURE

4. The structure of this report is as follows. Firstly under background information, emissions in the borough and by the council are described, alongside the statutory context. Details of what has been achieved in the borough so far in terms of carbon reduction is set out in paragraphs 20 to 34 of the report along with some recommendations as to ongoing work or future action. From paragraph 35 to 66 what further action the council should take to reduce its own emissions is described and from paragraph 67 to 102 the report sets out what can be done to reduce emissions in the borough.
5. All of the recommendations from the report are captured in the final table attached as appendix one which sets out a blueprint for future action to achieve the emissions targets recommended in this report

## BACKGROUND INFORMATION

6. Carbon is emitted when fossil fuels are burnt. The table below gives a breakdown of where carbon emissions come from in the borough.

### Sources of emissions in Southwark

| <b>Built Environment</b> | <b>84%</b> | <b>Transport</b>     | <b>16%</b> |
|--------------------------|------------|----------------------|------------|
| Work places              | 54%        | Cars and motorcycles | 8%         |
| Homes                    | 30%        | Freight              | 4%         |
|                          |            | Public transport     | 3%         |
|                          |            | Taxis                | 1%         |

7. The next table shows where the authority's emissions come from and their contribution to the borough's overall emissions.

### Southwark Council's emissions of CO<sub>2</sub>

| <b>Source</b>          | <b>% of Council emissions</b> | <b>% of Borough emissions</b> |
|------------------------|-------------------------------|-------------------------------|
| Council Housing        | 94%                           | 12%                           |
| Schools and Academies  | 3%                            | 1.5%                          |
| Leisure Centres        | 1.5%                          | 0.5%                          |
| Council Offices/depots | 1.5%                          | 0.5%                          |
| <b>Total</b>           | <b>100%</b>                   | <b>14.5%</b>                  |

### The Cost of Carbon Dioxide

8. At current prices, it costs the Council £145 to emit one tonne CO<sub>2</sub> of (£160.00 in electricity charges, or £130.00 in gas charges) and this will increase by £12 per tonne in 2012 due to the new Carbon Reduction Commitment tax.

## Statutory Compliance

9. The Climate Change Act 2008 legislated for a reduction in UK carbon emissions and set legally-binding carbon targets of 34% reduction by 2020 and 80% reduction by 2050 (compared to 1990) on the UK Government.
10. To meet these, the Government aims to deliver a 22% reduction from homes and 13% reduction from workplaces by 2022 across the country (compared with 2008 levels).
11. Local government has a key role in delivering this reduction. This was formalised for the first time in 2008, when Local Authorities became obliged to report on the following contributory indicators:
  - **NI186:** Per capita reduction in CO<sub>2</sub> emissions in the Local Authority area (from 2005 baseline)
  - **NI 185:** Percentage CO<sub>2</sub> reduction from local authority operations (from 2008/9 baseline)
  - **NI 187:** Tackling fuel poverty: Percentage of people receiving income based benefits living in homes with a low and high energy efficiency rating.
  - **NI 188:** Adapting to Climate Change: this required Local Authorities to embed the management of climate risks and opportunities across all levels of services, plans and estates.
12. As a Local Planning Authority, the Council is further obliged to minimise the impact of new development in the borough.
13. The Coalition Government, following the withdrawal of the entire suite of Local Government indicators, has now confirmed the data suite Councils have to report on and this includes only its own emissions (NI 185) and the new Carbon Reduction Commitment legislation. In addition, area wide carbon budgets (as piloted by London Borough of Barnet) are currently being discussed as part of the government's new Energy Bill.
14. Southwark Council's Executive of December 12<sup>th</sup> 2006 committed to reduce borough-wide CO<sub>2</sub> by 80% by 2050 (on 2003 levels). Since then climate change has risen considerably up the political agenda. The UK government has set itself legally binding reduction targets (34% by 2020 and 80% by 2050 on 1990 levels) and a new set of policies and financial mechanisms have been developed to effect the change required. These are explained later in this report.
15. The local target to reduce borough emissions by 80% (on 2003 levels) was adopted after an independent modelling exercise suggested that the reduction could be achieved by exploiting all cost effective energy efficiency measures, a widespread uptake of renewables and strategic intervention by the Council and partners to develop new decentralised energy networks powered by combined heat and power units. It concluded that the most cost effective means of achieving this would be by a borough wide heating system served by a number of Combined Heat and Power (CHP) based heat sources. This would be complemented with largely building-integrated, renewable energy systems and a range of energy efficiency measures to the existing stock.

16. Since then, the economic downturn has occurred and little movement has been recorded in the level of borough emissions. The target set in 2006 was highly ambitious and based on optimistic assessments of the various energy reductions scenarios in existence at the time, and the capacity of the council and partners to deliver. Whilst the 2006 target remains the Council's long term goal, this report proposes some more realistic interim targets, which reflect the current financial climate and a clearer view of the energy reduction measures that are implementable in the medium term. The proposed new targets are set out in the right hand column of the table below.

### CO<sub>2</sub> Baseline data

|                                                                      | Baseline (tCO <sub>2</sub> ) | Current (tCO <sub>2</sub> ) | Original target       | Percentage Reduction to date | New proposed target            |
|----------------------------------------------------------------------|------------------------------|-----------------------------|-----------------------|------------------------------|--------------------------------|
| <b>Council – operational estate and schools</b><br>(2008/9 baseline) | 41, 036                      | 37, 441                     | N/a                   | 8.4%                         | <b>26.6% reduction by 2016</b> |
| <b>Council Housing</b><br>(2005 baseline)                            | 202,800                      | 187,850                     | N/a                   | 6.7%                         | <b>15% by 2022</b>             |
| <b>Borough</b><br>(2003 baseline)                                    | 1, 690 000                   | 1, 671,020                  | 80% reduction by 2050 | 1.1%                         | <b>22.4% reduction by 2020</b> |

### KEY ISSUES FOR CONSIDERATION

17. The data set out in sections 6 and 7 above demonstrates that the Council has two distinct roles to play in the drive to reduce CO<sub>2</sub> emissions within the borough. Leading by example and reducing its own emissions is important but with 86.5% of the borough's emissions outside of the Council's direct control, it also needs to take on a Community Leadership role if substantial reductions are to be realised.
18. Various initiatives and funding streams exist and can be accessed by the Council to reduce both its own CO<sub>2</sub> emissions and that of the borough as a whole. Please see appendix two at the end of this report for full details of these.
19. The table below summarises the schemes available or planned and where they could be targeted if appropriate.



| CO <sub>2</sub> sector | Supply side                                                                    | Demand side                                                          |                                          |
|------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------|
|                        |                                                                                | National                                                             | Regional                                 |
| Workplace emissions    | Decarbonisation of the grid                                                    | CRCEES (CO <sub>2</sub> tax)                                         | RE:FIT<br>(to refit workplaces)          |
|                        | FITS (preferential tariff for electricity generating renewable)                | Green Deal<br>(pay as you save scheme for retrofitting measures)     |                                          |
| Domestic               | RHI (preferential tariff for heat generating renewables)                       | Green Deal (as above)                                                | RE:NEW<br>(to refit homes)               |
|                        |                                                                                | Energy Company Obligation (ECO) (to subsidise solid wall insulation) |                                          |
| Transport              | EU legislation on vehicle efficiency improvements<br>Renewable Fuel Obligation |                                                                      | C40<br>(support uptake of electric cars) |

### Progress To Date

20. Current data indicates there has been a 1.1% reduction on the borough's 2003 baseline position. Although this looks disappointing, it masks an increase in emissions due to a change in the way that data was measured in 2008. The government collected data between 2008 and 2011 shows a 1.1% reduction in CO<sub>2</sub>. A great deal of work has already been carried out by Southwark to reduce CO<sub>2</sub> emissions. Some of this work is detailed below.

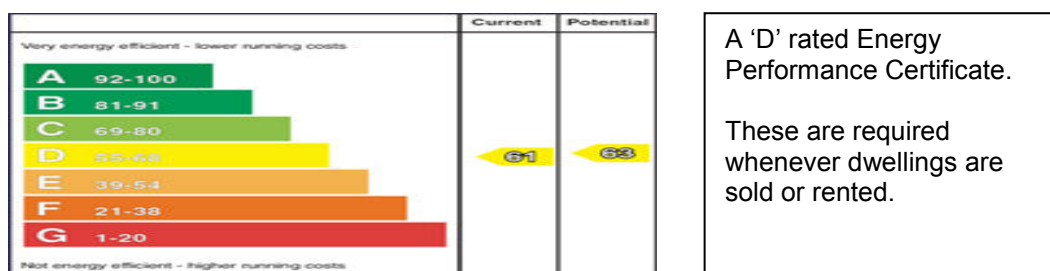
### Regeneration and Planning

21. Southwark is undergoing significant regeneration and growth with 31,000 new homes being planned for delivery between 1997 and 2017. The Council has a growing reputation for innovation in using planning powers to mitigate the impact of new development.
22. The proposed regeneration of Elephant and Castle will involve a tripling of floor area. To limit the impact of this growth, the Council proposes to use its planning powers and land ownership to apply strict limits on carbon emissions on the development.
23. The Council exceeds national policy currently by requiring that major developments offset 20% of anticipated CO<sub>2</sub> via on-site renewable energy technologies and exceed Building Regulation CO<sub>2</sub> targets by 44%. This and the detailed guidance set out in the Council's Supplementary Planning Guidance on Sustainable Design and Construction is reducing the impact of major build. Some examples of recent developments influenced by this planning guidance are listed below:
- a. **Wardroper House – St Georges Road SE1** – sustainability features include solar water heating, low water use appliances and cross ventilation
  - b. **28 Arch Street SE1** – sustainability features include low energy lighting, rain water harvesting, maximised use of natural light and heat (positioning of windows) and solar water heating

- c. **Patrick Court – Webber Street SE1** – features include solar water heating and rain water harvesting

### Council Housing

24. The thermal efficiency of homes is measured by their SAP rating which runs from on a scale of 0 – 100+. Over the past decade, the Council has invested heavily to raise the thermal efficiency of the Council's housing stock to SAP 63.4%. SAP 63 is equivalent to an Energy Performance Certificate 'D' rating. The Council has above average performance for the UK and is approaching the current threshold (SAP 65) at which a dwelling is deemed to be 'fuel poverty proofed' (where benefit dependent occupants can afford adequate heating).



25. It is worth noting however that SAP only measures the energy efficiency of the building envelope, heating system and lighting. Neither SAP nor Building Regulations account for the energy consumed by electrical appliances which account for a third of average domestic energy use.
26. The North Peckham communal heating scheme has been extended to Tuke School; a £1.2m externally funded project to upgrade while existing heat plant and pipe infrastructure on the Brandon and Cossal estates will contribute a further 1,390 tonnes CO<sub>2</sub> reduction pa.
27. Conventional energy efficiency measures are one of the most cost effective ways of deliver CO<sub>2</sub> reduction. Work here includes a loft insulation programme to 'top up' Council lofts up to current standards (a 7,000 tonne saving), an innovative cavity wall programme to target high rise dwellings (a further 5,300 tonnes), ongoing work to replace boilers with more efficient condensing models (1,260 tonnes) and the on-going installation of double glazing. These measures are part funded by the energy suppliers.
28. In addition, to improve tenant energy billing, work has been completed to identify and validate thousands of gas and electricity meters, aligning them to property databases, and consolidate energy consumption readings and invoices.

### Other tenure housing

29. Southwark has been working closely with the GLA/ London Development Agency to develop a regional mechanism (RE: NEW) to retrofit energy efficiency measures in London's housing stock. The first two pilots saw 7,171 energy efficiency and behaviour change measures installed in homes in Bermondsey and Dulwich such as loft and wall insulation, water saving devices and shower timers.

## Council Initiatives

30. The Council has launched a number of schemes aimed at raising awareness, changing behaviour and reducing carbon emissions both internally and in the borough as a whole.
- **200 Club:** The Council has set up a new mechanism (the '200 Club') to support the borough's larger emitters to reduce their emissions. To date, 50 organisations have signed up, with a shared footprint of 140,076 tonnes (9% of total borough emissions). A range of support services including seminars, practical case studies, a behaviour change toolkit, local off-setting scheme and mentoring service is being developed to support these large emitters to amplify their reduction.
  - **Green Audit:** A full audit of the Council's carbon emissions has already been carried out to obtain a baseline for the operational estate. As part of this exercise, 17 of the Council's key sites (such as Tooley Street, Manor Place and Mabel Goldwin House) were audited on their recycling rates, water use, cycle provision, energy consumption and paper use. This resulted in the 'Green Buildings' scheme explained below and a number of the initiatives in this report.
  - **Energy Savings Trust:** Southwark completed an audit and developed an action plan, in association with the Energy Saving Trust and a highly visible brand - Southwark 'Big Switch Off' to identify initiatives for which many are included in this report (residents, council staff, schools and local businesses).
  - **Green Buildings:** Seventeen Council sites are competing to improve their performance across a range of environmental targets (energy, waste, recycling, travel, procurement and water).
  - **Ecoschools:** 97% of Southwark Schools are registered Eco-Schools, an international environmental education award scheme, (the second highest number of any LEA in England) with 6 schools having achieved the 'green flag' award.
  - **Salix:** Utilising the Salix fund, the Council has installed energy saving measures in 13 corporate sites in the last year, saving a total of 236tCO<sub>2</sub> (see appendix three for further details).
  - **'Modernise':** The office consolidation programme and move to Tooley Street centralised 2,000 staff into new BREEAM 'very good' rated accommodation delivering a 2,088t CO<sub>2</sub> reduction pa from the now redundant sites and 118tCO<sub>2</sub> pa from the changes in staff's commuting and reduced taxi habits.
  - **School Investment:** The Schools Capital Investment Programme is rebuilding or remodelling 16 local schools. These will be built to BREEAM 'very good' standard and will offset 20-60% of CO<sub>2</sub> via onsite renewable energy systems. This will deliver an estimated 952tCO<sub>2</sub> reduction by 2016.

- **School Energy Management Pilot:** A new pilot is working with 20 schools to deliver a 20-30% reduction in their CO<sub>2</sub>/ energy bills via the identification and installation of energy efficiency measures. Measures are co-funded by Children's Services and pilot schools. Current projections are for savings of 358tCO<sub>2</sub> in addition to £70,000 pa bill savings and £4,296 (2012) CRCEES costs.
- **Leisure:** The leisure stock has benefited from significant capital investment in the past 2 years which included improving the environmental performance of the centres. Redevelopments at Camberwell and Dulwich Leisure Centres and Surrey Docks Water Sports Centre have resulted in a reduction in Carbon Emissions of an estimated 469 tCO<sub>2</sub> pa to date. Some examples of the initiatives and actions that are taking place are set out in the table below.

| Measure                                                                | Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Installed Cost                                             | CO <sub>2</sub> (tCO <sub>2</sub> ) |
|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------|
| Energy manager                                                         | Fusion have appointed an energy manager to oversee energy reduction in the leisure centres                                                                                                                                                                                                                                                                                                                                                                                                    | NA                                                         | NA                                  |
| Stark meters                                                           | Automatic Meter Reading technology installed into most sites to improve data                                                                                                                                                                                                                                                                                                                                                                                                                  | £214,250                                                   | 20                                  |
| Monthly meetings                                                       | Fusion meet each month with the Council's Leisure Team and a representative from the Council's sustainability Team.                                                                                                                                                                                                                                                                                                                                                                           | NA                                                         | NA                                  |
| Pool covers                                                            | Applied where suitable                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | £7,000                                                     | 31                                  |
| Maintenance contractor                                                 | Sites are now being maintained to a good standard by Fusions nominated specialist contractor. Mechanical and electrical assets are being maintained on a monthly basis                                                                                                                                                                                                                                                                                                                        | N/A                                                        | 20                                  |
| Re-development of Dulwich, Camberwell and Surrey Docks leisure Centres | Works include:<br><ul style="list-style-type: none"> <li>- Double glazing</li> <li>- Low energy compact fluorescent lighting</li> <li>- Retractable pool covers</li> <li>- Pool and Gym hall roof insulation</li> <li>- Solar thermal panels</li> <li>- Upgrade windows to double glazing</li> <li>- PIR sensors to control lighting</li> <li>- CHP Installation at Camberwell</li> <li>- Calorex heat recovery unit at Camberwell</li> <li>- UV filters at Dulwich and Camberwell</li> </ul> | N/a – wrapped up in multi million pound scheme development | 469                                 |
| <b>TOTAL</b>                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>+£435,500</b>                                           | <b>568</b>                          |

In respect of the redevelopment at Elephant and Castle Leisure Centre – The Council is currently in the middle of the design process for a brand new leisure centre on the site of the old Elephant and Castle Leisure Centre. Options are currently being explored in order to maximise the new centre's environmental performance and credentials. An example of the types of projects being explored is CHP, use of a borehole, grey water harvesting amongst many others.

- **Street Lighting:** Southwark's street lighting is already amongst the most efficient in the capital and the team is considered industry experts in terms of efficient lighting schemes.

- All new installations are fitted with electronic controls, use a 'White Light' lamp source, and light timers are trimmed so they operate approximately half an hour less each night. Functional units used on residential roads use 'cut off' or Flat Glass Lanterns wherever suitable.
  - The service also has five functional trials using LED's (Burgess Park, Tabard Street, Blackpool Road, Rephidim Street and Peckham Hill Street) and is currently upgrading all Pedestrian Crossings to LED's, which typically use 90% less power and last for 10 years (60 times longer than the traditional 100w lamps).
  - Other work undertaken to date includes the award winning Bermondsey Street Tunnel lighting project, which reduced energy use by 46% and the recent lighting scheme in Peckham Square where energy use was reduced by almost 96%.
  - **Fleet Services:** The upgraded fleet contains 150 new vehicles using a mixture of LPG alternative fuels, euro5 emissions standards and start/stop technology. This combined with fuel efficiency programmes and driver awareness training is estimated to save 50tCO<sub>2</sub>. This action was informed by a recent Green Fleet Review delivered by the Energy Saving Trust which sets out further opportunities to reduce fuel costs and save CO<sub>2</sub>.
31. The overall progress to date is summarised in the tables below with the relative contribution each project has delivered against the baseline indicated in the last column.
32. The first table looks at the reduction which Council initiatives have delivered against its own business operations. To date an 8.4% reduction has been delivered against the 2008/9 baseline.

|                                            | <b>Projects</b>                                       | <b>tCO<sub>2</sub></b> | <b>% reduction</b> |
|--------------------------------------------|-------------------------------------------------------|------------------------|--------------------|
| <b>Operational stock including schools</b> | <b>Baseline</b>                                       | <b>41,036</b>          | <b>n/a</b>         |
|                                            | Property rationalisation: Tooley Street business case | 2088                   | 5.1                |
|                                            | Salix energy efficiency pilot (13 sites)              | 236                    | 0.6                |
|                                            | School energy efficiency pilot (20 sites)             | 358                    | 0.9                |
|                                            | Leisure capital programme                             | 568                    | 1.4                |
|                                            | Staff commute and business travel                     | 118                    | 0.3                |
|                                            | Fleet                                                 | 50                     | 0.1                |
|                                            | <b>Total reduction to date</b>                        | <b>3418</b>            | <b>8.4</b>         |

33. The next table looks at the reduction that has been achieved in the Council's housing stock - a 6.7% reduction to date.

|                | <b>Projects</b>                            | <b>tCO<sub>2</sub></b> | <b>% reduction</b> |
|----------------|--------------------------------------------|------------------------|--------------------|
| <b>Housing</b> | <b>Baseline</b>                            | <b>202,800</b>         | <b>n/a</b>         |
|                | Borough-wide insulation programme          | 7,000                  | 3.5                |
|                | High rise cavity wall insulation programme | 5,300                  | 2.6                |
|                | Annual boiler replacement                  | 1,260                  | 0.6                |
|                | <b>Total reduction to date</b>             | <b>14,950</b>          | <b>6.7</b>         |

34. The final table maps the reduction achieved at a borough level. It shows that recent measures have delivered a 1.1% reduction from the 2003 baseline position.

|                | Projects                       | tCO <sub>2</sub> | % reduction |
|----------------|--------------------------------|------------------|-------------|
| <b>Borough</b> | <b>Baseline</b>                | 1, 690 000       | n/a         |
|                | Total operational measures     | 3418             | 0.2         |
|                | Total LBS housing measures     | 14950            | 0.9         |
|                | RE:NEW                         | 435              | 0.0         |
|                | <b>Total reduction to date</b> | <b>18803</b>     | <b>1.1</b>  |

### Proposals For Further Reduction

35. As explained previously, the targets, set in 2006, were highly ambitious and assumed a very significant level of investment in technologies. The approach set out in this report is based around mainstreaming activities and getting the maximum contribution from 'business as usual' activities and external funding opportunities in the shorter to medium term.
36. Whilst a lot of work has already been carried out and real progress made, meeting the challenging Carbon Reduction Targets does still require commitment, innovative thinking and strong leadership to reduce both the Council's own emissions and that of the borough.
37. Emerging legislation and initiatives presents challenges and opportunities to Southwark that will help drive future carbon reduction in the borough.
38. The table below summarises the level of influence the authority has over the sources of borough emissions.

| What                      | Buildings | Contribution to CO <sub>2</sub> | Level of control | Means of control/ influence             |
|---------------------------|-----------|---------------------------------|------------------|-----------------------------------------|
| LBS housing stock         | 40,120    | 14.5%                           | High             | Direct / partial control – asset holder |
| LBS buildings and schools | 350       |                                 |                  |                                         |
| New build                 | ?         | ?                               | Medium           | Indirect control via planning policy    |
| Non LBS social housing    | 15,013    | 5%                              | Some             | Influence via SOUHAG                    |
| Large workplaces          | 250-300   | 9% (now)<br>20-30% (potential)  |                  | Influence via 200 Club                  |
| SMEs                      | 15,000?   | 24-34%                          | Low              | Limited                                 |

### COUNCIL EMISSIONS

39. The following sections set out future proposals to further reduce Council emissions

## Council Housing

40. While most of our stock is already performing well in terms of thermal efficiency, further work is needed to identify low cost emission reduction opportunities across the Council's housing stock

### Recommendation 1

A project to baseline emissions from the Council's housing stock using the data captured from Energy Performance Certificates (EPC's) and to identify cost effective opportunities for reduction along with how these can be built into existing budget and further finance options be carried out.

41. The Housing Investment Programme and Revised Strategy Report dated 31<sup>st</sup> May 2011 committed the Council to delivering warm, dry and safe homes and reducing CO<sub>2</sub> emissions in its housing stock. Whilst the Government's Decent Homes Standard does not include a meaningful measure for thermal efficiency, the Council has agreed a five year investment programme to make all homes warm, dry and safe by 2016. This includes roof renewal, insulation, window replacement and central heating upgrades.

### Recommendation 2

The Housing Investment Strategy progresses as all of the planned measures will have a positive impact on thermal efficiency and the Council has undertaken to ensure all of its residential properties have a minimum rating of 'D' by 2020

42. Much of the Council's housing stock is heated by communal systems which were installed in the late 1960s and early 1970s and these are now in need of urgent replacement.

### Recommendation 3

Considering that major investment in these district heating schemes is an urgent priority, it is agreed that Combined Heat and Power (CHP) or biomass over standard gas fired options will be considered as the first option on any renewal programme as CHP is exempt from the Climate Change Levy fuel tax and biomass is eligible for part funding from the Renewable Heat Incentive.

### Recommendation 4

There is an early opportunity to install a Combined Heat and Power (CHP) at Acorn Estate as part of the proposed redevelopment of the Acorn site. It is likely that the preferred developer will also opt to provide a CHP plant to help meet the required level of the Code for Sustainable homes.

**Recommendation 5**

A major new project to install a pipeline to transport waste heat from the nearby SELCHP waste incinerator to send 'solid recovered fuel' (SRF) to five Council estates is currently being considered. Should this project prove viable, it will save over 8,000 tonnes of CO<sub>2</sub> pa (0.5% borough CO<sub>2</sub>).

43. Other opportunities include funding for insulation measures from energy suppliers (CERT, CESP and from 2012 ECo) and the Homes and Communities Agency (HCA).

**Recommendation 6**

The funding opportunities set out in section 43 will be explored by Housing Management

44. Energy use in the housing stock is split into landlord's supply and tenant bills.

**Recommendation 7**

Housing investment are currently undertaking work to measure the performance of different types of LED retrofits and in turn assess whether there is a business case to refit LED lighting in communal areas. It is recommended that this work continues

**Feed in Tariffs/Renewable Heat Incentive**

45. Southwark Council owns a high volume of stock in the borough (Council housing, operational buildings, schools and commercial properties) so has a significant acreage of roof space at its disposal.
46. Under these new financial incentives, the Council could fund photovoltaic systems (panels that convert sunlight to electricity) and use the guaranteed FiT revenue as a source of ongoing funding for energy efficiency measures. The table below shows the business case for a sample 50kW PV system (sized for a large school). An initial investment of £175,000 would yield £17,000 pa for 25 years, paying back within 10 years and generating £178,000 of profit.

| <b>Business case: 50kW PV system</b> |                 |             |         |
|--------------------------------------|-----------------|-------------|---------|
| Installed cost                       | £175,000        |             |         |
| Total income pa                      | £17,000         | FIT income  | £14,000 |
|                                      |                 | Bill saving | £3,000  |
| Years to 'pay back' installed cost   | 10 years        |             |         |
| <b>Profit over 25 yr</b>             | <b>£178,000</b> |             |         |

47. Since however, the above example would require capital investment and Southwark has committed all available funds to other priorities, it is recommended that the Council should instead look to an alternative approach. A secondary market is emerging for business owners to rent roof space to third



parties to install PV. In return for a 25 year agreement to collect the FIT payment, the third party will cover the full installation and maintenance costs of the system. The building owner will benefit from a nominal rent such as free electricity to offset energy

#### **Recommendation 8**

The Council will investigate installing PV/solar thermal systems to reduce bills and reduce carbon emissions in the borough via a roof lease hire agreement. A survey of the available roof space will be conducted. The housing investment team is actively assessing the option of partnering with a third party to deliver a programme of solar PV installations and it is therefore proposed that Housing Management lead this work on behalf of the Council with support from Property to identify other potential sites within the Council's portfolio.

#### **Operational Estate**

48. Although Council buildings and schools contribute a relatively small proportion of borough CO<sub>2</sub> (2.5%), the financial and reputational drivers provide a strong case for action. The (non housing) Council and school estate cost over £6 million to heat and power.
49. From 2012, this will be subject to an additional tax known as the Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES) increasing the cost from £144 to £156 per tonne.
50. CRCEES will affect over 20,000 large organisations in both the public and private sector including Southwark Council. From June 2012, participating organisations will be required to monitor emissions from all building and street-lighting energy usage and to pay a new tax of £12 for each tonne of CO<sub>2</sub> emitted over the course of each year. Sites where data is based on less than 3 annual utility meter readings will be subject to a further 10% tax.
51. Under CRCEES, Southwark Council is classed as responsible for the CO<sub>2</sub> emissions from local schools and academies, despite limited or no control over their energy consumption, behaviours or their capital investment choices. On current estimates, this new tax is anticipated to cost the Council £415,000 in 2012.
52. The Council has been lobbying The Department for Energy and Climate Change (DECC) in an attempt to make the scheme fairer and less onerous in terms of data gathering and reporting. The outcome of this lobbying is not yet known.

#### **Recommendation 9**

CRC compliance will be managed by the Energy Team in Environment and Leisure.

53. Council operations currently generate over 41,000 tCO<sub>2</sub> every year and with energy bills rising every year, action to reduce both energy use and CO<sub>2</sub> emissions represents a considerable opportunity for the Council to contain rising costs.

54. Reducing CO<sub>2</sub> in workplace accommodation is more complicated than in the domestic sector. Typical measures are highlighted in the table below. All measures pay back within five years.

| Cost scale | Cost per 1tCO <sub>2</sub> reduction | Measures                                                                                                                                                                                                                                                                                                            |
|------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Very low   | £200-400                             | <ul style="list-style-type: none"> <li>• Office equipment (photocopiers etc);</li> <li>• Computers and IT (thin client, power down software)</li> <li>• Motor controls</li> <li>• Insulation (pipe work)</li> </ul>                                                                                                 |
| Low        | £400-£600                            | <ul style="list-style-type: none"> <li>• Insulation (hot water tank)</li> <li>• Time switches</li> <li>• Heating optimisation</li> <li>• Building Management Systems</li> <li>• Insulation (draught proofing)</li> <li>• Voltage optimisation</li> <li>• Condensing boilers</li> <li>• Lighting controls</li> </ul> |
| Medium     | £600-£800                            | <ul style="list-style-type: none"> <li>• Insulation (building fabric)</li> <li>• Compressor</li> <li>• Efficient hand driers</li> <li>• Efficient cooling equipment</li> <li>• Ventilation</li> <li>• Motor replacement</li> <li>• Lighting upgrades</li> <li>• CHP</li> <li>• LED lighting</li> </ul>              |

Increasing cost



55. The Council has been running a pilot programme to install energy efficiency measures in 13 sites funded through its internal 'Salix' loan fund. To date £145,600 of the fund has been allocated delivering a reduction of 236tCO<sub>2</sub>. The table below outlines the savings.

|                  | Installed cost (£) | Bill savings | Payback (Years) | CO <sub>2</sub> (tCO <sub>2</sub> ) |
|------------------|--------------------|--------------|-----------------|-------------------------------------|
| Council building | £145,601           | £43,441      | 3.2             | 236                                 |

56. Examples of schemes funded from the Salix pot are shown in Appendix Three.
57. The 'Salix' loan fund was set up with £200k of government funding and £200k of Council money. Since the energy bill savings resulting from the measures are repaid to the fund, it can continue to provide ongoing investment for measures. As the diagram below shows by Year 6 (2016) of its operation (if fully utilised) it will generate over £1 million capital (from the initial Council contribution of £200k). This will deliver a 1,738tCO<sub>2</sub> saving cutting operational CO<sub>2</sub> by 4.2%.

| <b>Total Salix fund</b>                    |                           | <b>£400,000</b>           |                           |                           |                           |                           |                                              |  |
|--------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------------------------|--|
| <b>Fund allocation</b>                     | <b>Year 1<br/>2010/11</b> | <b>Year 2<br/>2011/12</b> | <b>Year 3<br/>2012/13</b> | <b>Year 4<br/>2013/14</b> | <b>Year 5<br/>2014/15</b> | <b>Year 6<br/>2015/16</b> | <b>Totals</b>                                |  |
| Fund Available (£)                         | <b>£145,601</b>           | <b>£254,399</b>           |                           |                           |                           |                           |                                              |  |
| Repayments (year 1 investment)             |                           | <b>£43,441</b>            | <b>£43,441</b>            | <b>£43,441</b>            |                           |                           |                                              |  |
| Repayments (year 2 investment)             |                           |                           | £88,881                   | £88,881                   | £88,881                   |                           |                                              |  |
| Repayments (year 3 investment)             |                           |                           |                           | 39,487                    | 39,487                    | 39,487                    |                                              |  |
| Repayments (year 4 investment)             | <b>£145,601</b>           |                           |                           |                           | 51,270                    | 51,270                    |                                              |  |
| Repayments (year 5 investment)             |                           |                           |                           |                           |                           | 53,607                    |                                              |  |
| <b>Capital for investment</b>              |                           | <b>£297,840</b>           | <b>£132,322</b>           | <b>£171,809</b>           | <b>£179,638</b>           | <b>144,364</b>            | <b>£1,074,113</b><br>(6yr figure)            |  |
| Savings reinvested                         |                           |                           |                           |                           |                           |                           | £529,749                                     |  |
| Fund recycles                              | 2.3                       | Times                     |                           |                           |                           |                           |                                              |  |
| Annual CO <sub>2</sub> savings             | 236                       | 483                       | 215                       | 279                       | 292                       | 234                       | <b>1,738 tCO<sub>2</sub></b><br>(6yr figure) |  |
| <b>% of carbon saving delivered - 4.2%</b> |                           |                           |                           |                           |                           |                           |                                              |  |

### Recommendation 10

Salix funding continues to be used to fund energy efficiency schemes in operational buildings and schools.

58. A recent project by a cross departmental team of Council officers supported by the government backed Carbon Trust to identify and cost various carbon reduction scenarios identified a 26% potential reduction by 2016 as the highest target that would be affordable in today's terms. Affordable is defined as measures that 'pay for themselves' within 5 years from either energy bill reductions alone (buildings only) or from energy and related maintenance costs (street-lighting)
59. This can be achieved by implementing cost effective energy efficiency measures (those that payback from energy bill savings in five years or less as detailed in the table at section 54), planned disposals, new build and major refurbishment (such as Southwark Schools for the Future).
60. To realise the savings proposed in section 16, improved housekeeping to monitor and manage the way that energy is used by staff and building managers is needed. Simple measures such as turning off lights, computers, printers and photocopiers and turning down heating controls can reduce energy consumption in offices by up to 10%. To support this behavioural change, all sites large enough to be billed on a monthly basis need to provide monthly electricity and gas meter readings to the sustainability team within Environment and Leisure. This will enable the team to support sites in actively managing consumption and spend.

**Recommendation 11**

A project team, lead by The Strategic Director of Environment and Leisure, will be set up to encourage staff to adopt these simple housekeeping practises and ensure building managers report energy consumption to the team

61. Normally to achieve a 26% reduction in CO<sub>2</sub> would require extensive use of higher cost measures such as cladding, triple glazing and more renewables. The property rationalisation programme and high scope for basic energy efficiency measures however, means that the Council can deliver this reduction.

**Recommendation 12**

Modernise Two and the on-going disposal of sites will therefore continue and contribute to the Council's carbon reduction strategy.

62. Other opportunities include the Council or its partners taking a low interest loan from the London Green Fund to engage a contractor through the GLA's RE:FIT programme to retrofit a group of buildings. This may however have a number of resource and revenue consequences.

**Leisure Centres**

63. Southwark has eight leisure centres of varying sizes and varying ages, currently managed by their leisure provider, Fusion. They are large consumers of energy and can produce in the region of up to 3,000 tonnes of carbon annually. Whilst some work has already been carried out to reduce energy consumption in a number of the centres as set out in section 30, there is scope for more to be done.
64. Funding to engage a contractor through the GLA's RE:FIT programme is available but the length of the current contract may be a barrier as the funding will have to be paid back over several years, past the contract end date.

**Recommendation 13**

The leisure centre client team in Environment and Leisure will actively encourage Fusion to apply for the funding outlined in Section 64 and strive to remove any barriers that may exist

65. Fusion also have a number of 'environmental champions' in place across the borough and there is an opportunity to engage with them in a formal way to help drive down emissions.

**Recommendation 14**

Fusion will join the Council's Green Buildings project and progress on energy reduction, recycling and other environmental measures will be reported monthly

**Schools**

66. Energy saving measures are installed in schools in two ways – as part of the Council's capital works programme to refurbish schools and by a pilot programme to identify and part fund measures with the schools themselves. This pilot programme ran in 20 schools in 2010/11 with the benefits as outlined in the table below. Examples of measures installed include lighting and heating upgrades and boiler insulation

|         | Installed cost (£) | Bill savings (£) | Payback (Years) | CO <sub>2</sub> (tCO <sub>2</sub> ) |
|---------|--------------------|------------------|-----------------|-------------------------------------|
| Schools | £200,000           | £70,000          | 3.2             | 358                                 |
|         |                    |                  |                 |                                     |

**Recommendation 15**

Children's Services will fund a second pilot to the value of £200k (£100K from Children Services and £100K from the schools involved) later in 2011.

**REDUCING THE BOROUGH'S EMISSIONS**

67. With 86.5% of the borough's carbon emissions not directly controlled by the Council, meeting CO<sub>2</sub> reduction targets will only be fully achieved by influencing the borough's businesses, residents, landlords and building owners. The following section sets out the proposals that will facilitate this influence.

**Homes in the borough**

68. The table below outlines how the housing stock is split by tenure and emissions. Measures to the Council owned stock Council's housing stock are in set out in the report.. The majority of the remainder of the social stock, which accounts for 5% of CO<sub>2</sub> is concentrated in the hands of and managed by ten large Residential Social Landlords (RSL's) who regularly engage with the Council and who have strong drivers to reduce CO<sub>2</sub> to tackle fuel poverty and increase the quality of their stock.

| Tenure               | Percentage of borough CO <sub>2</sub> | Number of dwellings | Percentage of stock |
|----------------------|---------------------------------------|---------------------|---------------------|
| Council homes        | 12%                                   | 40,120              | 32%                 |
| RSL homes            | 2%                                    | 15,013              | 12%                 |
| Private sector homes | 16%                                   | 70,156              | 56%                 |
| <b>Total</b>         | <b>30%</b>                            | <b>125,289</b>      | <b>100%</b>         |

69. The majority of the remaining 16% of domestic emissions come from Southwark's 70,156 private sector dwellings. The Council has a remit to support these households to reduce their energy consumption under the Home Energy Conservation Act.
70. The majority of energy (81%) consumed in a home is used either for space heating or heating water. The remainder is split between lighting (16%) appliances and cooking (3%).
71. The key energy efficiency measures that are required to save money and CO<sub>2</sub> are:
- *Low cost measures* that 'payback' in less than a year such as draught proofing, pipe work and hot water tank insulation
    - *Mid cost measures* costing less than £500 that 'payback' in less than five years such as loft and cavity wall insulation
  - *Higher cost measures* such as condensing boilers that take ten years to 'payback' but deliver good savings
72. The government has expressed an ambition to complete all basic insulation measures by 2016. There is still some way to go in Southwark before these low cost measures are complete (full or top up loft insulation is still required in 35% of dwellings and cavity wall insulation in 23%).
73. The government hopes that the bulk of the investment required for this cross-sector retrofitting will come from the private sector loans via its forthcoming Green Deal and Eco initiative although full details of these schemes is still awaited.
74. Eco is intended to change the retrofitting market in the UK by enabling private firms to offer consumers energy efficiency improvements to their homes, community spaces and businesses at no upfront cost and to recoup payments through a charge on the energy bill.
75. This Pay as You Save (PAYS) financing model is designed to allow consumers to take out a loan of up to £6,500 for measures such as insulation and heating improvements. This would be attached to the property and would pass to the next occupier when the property tenancy transfers.
76. It is not yet clear what measures will be available under the Green Deal but it is likely that loft and cavity wall insulation, draft proofing and efficient boilers will be included and that some subsidy for solid wall insulation (currently not financially viable - £11k) will be forthcoming from the supplier obligation Eco.
77. The Council's 2008 Private Sector Stock Condition survey estimated that it would cost £143 million if all remaining opportunities for these measures were carried out in the borough's 70,156 privately owned homes. This would reduce this sector's CO<sub>2</sub> by 23% reduction (equivalent to 76,600 tCO<sub>2</sub> pa– 4.5% of borough CO<sub>2</sub>).
78. As well as financing improvements to the private and potentially Council stock (where the Council gave permission), this legislation is likely (from 2015) to give local authorities a new power to oblige private sector landlords to improve the thermal efficiency of their stock.

79. Since the predominant form of dwelling in the UK is a three bed semi-detached house, energy reduction programmes are designed with these in mind. This has meant that Southwark, where 70% of the stock is made up of flats makes it a less attractive prospect for contractors.
80. 49% of Southwark's private sector residents live in dwellings that require solid wall insulation. The market for this is not yet fully developed and the currently proposed maximum Green Deal loan will not cover the cost. The Government has announced that a new obligation on energy suppliers will help but given the limited success of past supplier obligations (for example CERT) especially for London's atypical housing stock, it is unlikely that Southwark will benefit significantly from this new proposal.
81. To overcome this local disadvantage and to ensure that the Green Deal works for inner London (and that it does not miss out on external funding as it has in the past with CERT and CESP), the Council will work with other London boroughs to effectively lobby the government to ensure that the measures that Southwark needs are included and, at an affordable rate to ensure high local take up.

#### **Recommendation 16**

Southwark works with other London Boroughs, the GLA and London Councils to effectively lobby Government to ensure the future suitability of Green Deal and Eco for inner London housing stock and how the Council can effectively use the Green Deal when it is finalised

82. Whilst Eco and Green Deal are interesting developments, lack of finance may not be the only barrier (the low cost of these measures and high potential savings justify them even before a loan). The following sections outline the key barriers that the Council and partners must resolve if the widespread take-up envisaged for the Green Deal is to happen in Southwark.
- There are currently over 30 providers offering free or discounted insulation in London, leading to fragmented delivery. The Green Deal is likely to bring more providers (including household names) into the market increasing the confusion for residents. The Council will need to consider how best it can use its position to reduce this confusion and increase take-up.
  - The perceived hassle of having measures installed is a significant barrier. Models offering a tailored whole house approach such as the emerging regional model (RE:NEW) can significantly reduce this factor. Under RE:NEW energy assessors visit homes and carry out a whole-house energy survey identifying which energy saving measures are appropriate for the home. Going forward, RE:NEW aims to integrate with Green Deal models so that measures can be offered free upfront, and paid back through savings on the energy bill.
  - Residents are often sceptical about the benefits of retrofitting. Work by Kirklees Council and British Gas has found that a powerful way to counteract this is to work on an area wide street by street basis. As well as achieving significant economies of scale, uptake is increased by peer referral. The Council is currently exploring this approach in the Peckham Low Carbon Zone.

## Workplaces in the borough

83. Workplaces account for the largest proportion (53%) of borough emissions. The challenge for the Council in dealing with this sector is twofold; limited influence and the potential number of organisations it needs to influence. Half of these emissions (24-34% of borough CO<sub>2</sub>) are likely to come from thousands of small and micro organisations with limited capacity or incentive to act.
84. Most organisations in Southwark occupying commercial property do not own the buildings. Approximately 90% of office space is leased and around 40% of office buildings are multi-tenanted. This tenant-landlord disconnect is a key barrier to upgrading the energy efficiency of buildings: the tenant benefits from the upgrade, in the form of lower energy bills, but the landlord would typically bear any building upgrade costs. The presence of managing agents in some instances complicates matters further. The non domestic version of the Green Deal could provide a way round this from 2012 if tenants can be persuaded to take up the loan and landlords assent.
85. Since a non domestic version of the RE:NEW version is unlikely to be forthcoming to target this sector, the most effective way of supporting energy efficiency measures in work places will be to work with other Local Authorities and promote a preferred provider/ range of providers, should a Green Deal type offer become available.

### Recommendation 17

The Council promotes as appropriate the business version of Green Deal to businesses renting Council owned premises  
 The Council promotes a preferred provider to the '200 Club' via the Business Improvement Districts

86. It is recommended that the Council focus its resources on large organisations where there are strong drivers for reduction (CRCEES) and medium organisations where there is still good scope for reduction and where European funding can support this work.
87. A mapping exercise has been carried out to identify the largest 200 emitters in the borough using floor area as a proxy for emissions.
88. The 200 Club initiative encourages these organisations to reduce their emissions. The 200 Club currently has 50 members signed up, controlling 9% of borough emissions. Based on government estimates that its new CRCEES legislation will cover half of all workplace emissions, and regional statistics that the largest 120 of London's employers employ 70% of the workforce, it is estimated that a mature Club could control 20-30% of borough emissions.



### Recommendation 18

The 200 Club will continue to be promoted as many of the big emitters in the borough will already be motivated either as a result of the CRCEES legislation or to improve their bottom line and the club therefore represents a cost effective way for the Council to stimulate additional emission reduction. A re-launch of the club will be held in November 2011 to increase interest in the scheme and a range of Club offerings are being developed to support this.

### New build

89. The previous government introduced a number of policies aimed at delivering zero carbon residential and non-domestic developments by 2016 and 2019 respectively. These include the Code for Sustainable Homes, Building Regulations and Planning Policy Statement.
90. The table below sets out the targets set by Government (using the 2002 Building Regulations permitted kg/CO<sub>2</sub>/m<sup>2</sup> as the baseline)

| Timeframe   | Domestic reduction | Commercial reduction                     |
|-------------|--------------------|------------------------------------------|
| 2010 – 2013 | 44 per cent        | 44 per cent                              |
| 2013 – 2016 | 55 per cent        | 55 per cent                              |
| 2016 – 2031 | Zero carbon        | As per building regulations requirements |
| 2019 – 2031 | Zero carbon        | Zero carbon                              |

91. These effectively meant that the Council could have excluded the impact of homes built from 2016 and non domestic buildings built from 2019 from its 2050 target. However, moves by the current Government (budget 2011) to change the definition of zero carbon to exclude 'emissions from cooking and electrical appliances ('unregulated emissions') will mean that this will not be possible as new development will be 'low' rather than 'zero' carbon (unregulated emissions account for a third of domestic emissions and a third to a half of non domestic buildings)
92. The Council's 'Code Four Sustainable Homes' planning policy already requires Level Four energy efficiency for all new build and therefore exceeds the current national requirements and so supports a rapid reduction in carbon emissions in the borough.

### Southwark's Green Fund

93. All local planning authorities will need to establish local offset funds from 2016 if the national Building Regulations require all new housing to be carbon neutral as currently planned. Where this cannot be met on-site, developers will instead contribute to local off-set projects.
94. Southwark has already established such a scheme. If developers are unable to meet the 20% renewable energy target set in Southwark's planning guidance, they are supposed to contribute to the Council's Green Fund. Although this isn't currently consistently enforced, £78,000 is already set aside for energy efficiency

measures and once a formal model is developed to ensure consistent application of the obligation on developers, the Green Fund will provide an on-going funding stream for the future.

95. The Council has recently created an offset fund in relation to affordable housing obligations, and it is proposed a similar exercise and process to be followed for the Green Fund.

#### **Recommendation 19**

The current Green Fund will be moved to a similar model as that in place for affordable housing and the Council will establish an appropriate process and criteria to manage how the fund is spent

96. This fund will then be available to be used to pay for energy efficiency measures elsewhere in the borough. This requirement on developers still needs the adoption of a formal policy to agree scale of contributions and how the funds can be used.

#### **District Heating Schemes**

97. District heating schemes are far more energy efficient than individual boilers in urban areas and can help drive down carbon emissions. A number of new heat networks or district heating schemes are being actively explored in the borough, in particular where there are large scale regenerations schemes – Elephant and Castle zero carbon growth/ the Aylesbury regeneration, north Southwark (SBEG) and a heat pipe to utilise waste heat from the SELCHP incinerator and displace the gas currently used to heat five Council estates. As part of a project to develop a heat map for the capital, the London Development Agency/ GLA identified the following areas as being particularly suited for new district heating schemes:

| <b>Focus area</b>   | <b>Potential</b> |
|---------------------|------------------|
| Canada Water        | High             |
| North Southwark     | High             |
| Bermondsey          | High             |
| Southampton Way Spa | High             |
| Camberwell          | Medium           |
| Surrey Gardens      | Medium           |
| Peckham             | Medium           |

98. The Planning policy team will continue to support the implementation of local heat networks where feasible as they are significantly more efficient and particularly well suited to dense urban areas.

#### **Recommendation 20**

The Council will work with the GLA, which has responsibility and EU funding to identify and then develop as appropriate local heat networks to identify opportunities in the borough

## **Transport**

99. London's transport-related CO<sub>2</sub> emissions are predicted to fall by 16% by 2025, despite projected population and employment growth in excess of 10%. Drivers of this reduction include the ongoing long-term trend of vehicle fuel efficiency improvements driven by EU legislation, regional measures to drive modal shift, the decarbonisation of grid electricity and related incentives for electric vehicles and UK policy to increase the share of bio-fuel in transport fuel from 5 to 10% in the lead up to the 2020 renewables target.
100. The Council already has a comprehensive focus on encouraging modal shift. This includes managing demand via car clubs, investing in cycling and walking infrastructure, cycle parking and working with public transport providers; encouraging sustainable travel choices through school and workplace travel plans and encouraging smarter driving to reduce emissions and improve air quality.
101. The Council is currently considering a move to parking permit costs being based on carbon emissions and this will also help drive down CO<sub>2</sub> production in the borough.
102. As can be seen from the information above, Southwark has a range of opportunities at its disposal to reduce carbon emissions in the borough. Successful achievement of the proposed 22.4% borough reduction target by 2020 however, will require ownership and significant action from all Council departments

## **Community impact statement**

103. Reduced carbon emissions will improve the environment and reduce spend on energy. The proposals set out in this report will therefore have a positive impact on the borough's residents

## **Sustainability considerations**

104. All proposed actions contained within this report are designed to reduce energy consumption and reduce the use of fossil fuels. Recommendations within this report will therefore have a positive impact on the environment.

## **Resource implications**

105. The proposed actions set out in this report reflect the fact that the Council is unable to commit large sums of capital or revenue to reducing carbon emissions within the borough due to the budgetary constraints it currently faces.
106. The Housing Investment Strategy, agreed on 31<sup>st</sup> may 2011 includes clear targets in terms improved thermal efficiency of the Council's housing stock and will therefore help Southwark meet the proposed carbon reduction targets set out in this report.
107. The Salix fund is already established and will continue to be used to improve the thermal efficiency of the Council's operational estate and that of schools in the borough.

108. Children's Services and schools continue to commit capital to the school stock and some of this will be targeted at carbon emission reduction.
109. Staff time will be needed to deliver the recommendations set out in this report and all departments will need to act on the recommendations (summarised in Appendix One)
110. The proposed development of the 'Green Fund' (£78K available to date) as described in Sections 93 to 96 should create a funding stream that the Council will be able to use to reduce emissions across the borough. Whilst it isn't possible to estimate the amount of money the fund may create, it is substantial given the amount of new build taking place in the borough.
111. The Green Deal, as explained in Sections 73 to 82, may help reduce borough wide emissions but as the scheme has not yet been finalised, the Council needs to ensure effective lobbying takes place to shape the Green Deal to suit homes in Southwark.
112. With over £6m spent each year on energy for Council buildings and schools, there is a clear financial incentive to reduce energy use. With the new CRC legislation coming into force for 2012, adding an additional £415,000 to this spend and the fact that energy prices are rising sharply, the incentives to implement the recommendations in this report are clear.
113. The latest estimated total cost of the Carbon Reduction Commitment for financial year 2011/12 is around £415k and is payable in arrears in April 2012. A provision of £500k set aside as part of Budget and Business Planning 2011/14 is sufficient to pay for this expenditure. However, the adequacy of provisions for future years from 2013/14 is uncertain since it depends on price of allowance, the level of CO<sub>2</sub> emissions the council manages to reduce and the weighting given for the accuracy of future meter readings.

#### **Staffing/procurement implications**

114. The Sustainability and Energy Teams within Environment will need to be reconfigured to deliver the actions proposed in this report.
115. Procurement implications are not yet clear as some of the schemes are still to be finalised (Green Deal, roof lease etc)

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

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

116. The Climate Change Act 2008 ('the 2008 Act') set a target for the United Kingdom to reduce carbon emissions to 80% below 1990 levels by 2050. It also set an interim target of a 34% reduction by 2020 and established the concept of carbon budgets.
117. The Carbon Reduction Commitment Energy Efficiency Scheme (previously known as the Carbon Reduction Commitment) was introduced by The CRC Energy Efficiency Order 2010 under sections 44 and 46(3) of and Schedule 2 and paragraph 9 of Schedule 3 to the 2008 Act and is a mandatory carbon emissions reporting and pricing scheme for large, non energy-intensive businesses and organisations. The Carbon Reduction Commitment came into

force in March 2010 and it applies to large businesses and public sector organisations whose annual electricity consumption is over 6,000 MWh (Megawatt Hours) and who are not already part of the EU-ETS (European Union Emissions Trading Scheme) or covered by Climate Change Agreements. It covers direct and indirect emissions from supplies of electricity, gas and fuel by public bodies and undertakings. The council is a public body for the purposes of the 2010 Order. The aim of the Scheme is to significantly reduce carbon emissions not covered by other pieces of legislation and the primary focus is to reduce emissions in non-energy intensive sectors in the United Kingdom.

118. In October 2010, the Government announced significant changes to the Scheme as a part of the Comprehensive Spending Review with the aim of simplifying the same in order to reduce the burdens on businesses. The Scheme comprises three primary elements: i) an emissions reporting requirement ii) a new carbon price and iii) ranking of participants in a performance league table.
119. The Climate Change Levy (CCL) was introduced by the Climate Change Levy (General) Regulations 2001 to encourage improved energy efficiency and reduced greenhouse gas emissions. It is a charge on energy usage for business and the public sector introduced to encourage energy efficiency.
120. It is confirmed that the council as a Local Planning Authority is under a duty to minimise the impact of new development in the borough from an energy performance and efficiency perspective. The UK government has announced targets for all new housing to be "zero carbon" by 2016 and new commercial buildings by 2019. The main requirements on the energy performance and efficiency of buildings are contained in the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 (as amended) and in Part 6 of the Building Regulations 2010.
121. The Energy and Carbon Reduction Strategy is consistent with the council's obligations set out in the above legislation.

#### **Finance Director**

122. This report asks the cabinet to note the different drivers for carbon reduction and the work already carried out, approve the new carbon reduction targets and to approve the carbon reduction action plan.
123. As this report is to approve the strategy, there are no specific financial implications to address, the salix fund and the £500k budget agreed during 2011/12 budgets are expected to meet current commitments.
124. The financial position should be closely monitored, additional general fund funding requirements should be bid for through the budget setting process, while being mindful of funding uncertainty beyond 2012/13, and the requirement that additional savings will be required to meet new commitments in 2012/13.

#### **Head of Home Ownership**

125. The current partnering contracts include specifications for cavity wall insulation, anticipated that this will be installed as part of Housing's capital programme. If this work is to be omitted in the future then the specifications must be excluded from the works packages. Additionally, leaseholders may query whether previously installed or currently proposed insulation is necessary and therefore

chargeable under the lease, or not necessary making it a non-chargeable improvement.

126. Should cavity wall insulation be carried out in the future using external funding, then Home Ownership Services must be informed so that the cost is not included in the service charges.
127. Leaseholders perceive district heating systems to be a very expensive option, both in terms of fuel and maintenance. There is frequent lobbying to replace district heating systems with individual boilers, often supported by ward councillors. If the Council is proposing to continue with district heating then it should be clearly understood that decommissioning is not an option, and the benefits of the systems disseminated.
128. Where the Council decides to upgrade its district heating systems using alternative methods of fuel supply, eg SELCHP, it is impossible to carry out the statutory consultation with leaseholders and an application must be made to the Leasehold Valuation Tribunal for dispensation in order to be able to service charge the leaseholders for the costs of the communal heating over £100 per annum. Again, such applications normally lead to objections from leaseholders who involve their local ward councillors. The reasons behind the decision must be made clear so that the Councils purpose is understood.
129. Careful consideration must be given before entering into any agreement with an external agency to lease roof space for photovoltaic systems. If there is a break clause and penalty then this could prove expensive for the Council in circumstances where leaseholders exercise their right to buy the freehold of their block. This is particularly pertinent for street properties, so any such scheme should be considered only for larger blocks which are likely to remain in the Councils ownership.

#### Head of Procurement

130. All procurements arising from the implementation of the Energy and Carbon Reduction Strategy will follow the Council's gateway process.

#### BACKGROUND DOCUMENTS

| Background Papers                                                                      | Held At                              | Contact                    |
|----------------------------------------------------------------------------------------|--------------------------------------|----------------------------|
| Salix fund papers<br>Emissions database<br>Government papers<br>Warn Dry safe strategy | 160 Tooley Street,<br>London SE1 2QH | Ian Smith<br>020 7525 2484 |

#### APPENDICES

| No         | Title                                                |
|------------|------------------------------------------------------|
| Appendix 1 | Summary of proposals and forecast reductions by 2016 |
| Appendix 2 | Funding streams                                      |
| Appendix 3 | Examples of Salix funded schemes implemented to date |

**AUDIT TRAIL**

|                                                                         |                                                                  |                                              |                  |
|-------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------|------------------|
| <b>Cabinet Member</b>                                                   | Councillor Barrie Hargrove, Transport, Environment and Recycling |                                              |                  |
| <b>Lead Officer</b>                                                     | Gill Davies, Strategic Director of Environment and Leisure       |                                              |                  |
| <b>Report Author</b>                                                    | Ian Smith, Acting Head of Sustainable Services                   |                                              |                  |
| <b>Version</b>                                                          | Final                                                            |                                              |                  |
| <b>Dated</b>                                                            | 8 September 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                                          |                  |
| Cabinet Member                                                          | Yes                                                              | Yes                                          |                  |
| <b>Date final report sent to Constitutional Team</b>                    |                                                                  |                                              | 8 September 2011 |

## SUMMARY OF PROPOSALS AND FORECAST REDUCTIONS BY 2016

|         | What                                                                                                                                 | Who                                    | When                       | tCO <sub>2</sub> | % Reduction |
|---------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------|------------------|-------------|
| Housing | <b>Recommendation 1</b><br>Gather baseline data from EPC's to identify properties that would benefit from energy efficiency measures | Housing<br>(Rebecca Clements)          | October 2011 to March 2012 | Unknown          | Unknown     |
|         | <b>Recommendation 2</b><br>Housing Capital Investment Strategy (Warm, Dry, Safe) implemented                                         | Housing<br>(David Lewis)               | On-going                   | 6,300            | 3.1         |
|         | <b>Recommendation 3</b><br>CHP will be considered as the preferred option for future district heating schemes/upgrades               | Housing<br>(David Lewis)               | On-going                   | Unknown          | Unknown     |
|         | <b>Recommendation 4</b><br>CHP will be installed in Acorn site if financially viable                                                 | Housing<br>(David Lewis)               | On-going                   | 1,590            | 0.8         |
|         | <b>Recommendation 5</b><br>SELCHP scheme to progress if viable                                                                       | Environment and Leisure<br>(David Gee) | October 2011               | 8,000            | 3.9         |
|         | <b>Recommendation 6</b><br>CERT and CESP funding sought where possible                                                               | Housing<br>(Rebecca Clements)          | On-going                   | Unknown          | Unknown     |



|  |                                                                                          |                               |          |         |               |            |
|--|------------------------------------------------------------------------------------------|-------------------------------|----------|---------|---------------|------------|
|  | <b>Recommendation 7</b><br>LED lighting trials                                           | Housing<br>(Chris Baxter)     | On-going | Unknown | Unknown       |            |
|  | <b>Recommendation 8</b><br>Explore viability of roof lease schemes for the whole Council | Housing<br>(Rebecca Clements) | On-going | 1,000   | 0.5           |            |
|  | <b>Expected outcomes of the above proposals</b>                                          |                               |          |         | <b>16,890</b> | <b>8.3</b> |
|  | <b>Progress to date</b>                                                                  |                               |          |         | <b>14,950</b> | <b>6.7</b> |
|  | <b>2016 Target</b>                                                                       |                               |          |         | <b>31,840</b> | <b>15</b>  |

| Operational Stock including Schools | What                                                                        | Who                                               | When       | t CO <sub>2</sub> | % Reduction |
|-------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------|------------|-------------------|-------------|
|                                     | <b>Recommendation 9</b><br>Paying and reporting against new CRC legislation | Environment and Leisure<br>(Ian Smith)            | April 2012 | N/A               | N/A         |
|                                     | <b>Recommendation 10</b><br>Utilisation of SALIX funds                      | Environment and Leisure<br>(Ian Smith)            | On-going   | 1,502             | 3.7         |
|                                     | <b>Recommendation 11</b>                                                    | All departments – driven by Project Board Chaired | October    | 1,850             | 4.4         |

|  |                                                                                                                                  |                                                  |              |               |             |
|--|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------|---------------|-------------|
|  | Project to promote good housekeeping (turning off lights, computers etc) and reporting energy consumption to sustainability team | by Strategic Director of Environment and Leisure | 2011         |               |             |
|  | <b>Recommendation 12</b><br>Modernise Two                                                                                        | Finance and Resources<br>(Robin Rogers)          | On-going     | 2,423         | 6           |
|  | <b>Recommendation 13</b><br>Fusion encouraged to pilot RE:FIT on Seven Islands and other leisure centres                         | Environment and Leisure<br>(Adrian Whittle)      | October 2011 | 375           | 0.9         |
|  | <b>Recommendation 14</b><br>Fusion will sign up to the Council's Green Buildings initiative                                      | Environment and Leisure<br>(Adrian Whittle)      | October 2011 | Unknown       | Unknown     |
|  | <b>Recommendation 15</b><br>School's Capital Investment Programme continues to build to BREEAM 'very good' standard              | Children Services<br>(Martin Wilcox)             | 2011/12      | 1,310         | 3.2         |
|  | <b>Expected outcomes of the above proposals</b>                                                                                  |                                                  |              | <b>7,460</b>  | <b>18.2</b> |
|  | <b>Progress to date</b>                                                                                                          |                                                  |              | <b>3,418</b>  | <b>8.4</b>  |
|  | <b>2016 Target</b>                                                                                                               |                                                  |              | <b>10,878</b> | <b>26.6</b> |
|  |                                                                                                                                  |                                                  |              |               |             |

|                | <b>What</b>                                                                                                                                                            | <b>Who</b>                                       |                            | <b>tCO<sub>2</sub></b> | <b>% Reduction</b> |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------|------------------------|--------------------|
| <b>Borough</b> | <b>Recommendation 16</b><br>Exploration of 'Green Deal' proposal with other boroughs and lobby Government to ensure the scheme is suitable for Southwark               | Environment and Leisure<br>(Ian Smith)           | October 2011 to April 2012 | Unknown                | Unknown            |
|                | <b>Recommendation 17</b><br>Where appropriate, promote Green Deal type scheme to occupiers of Council's commercial stock                                               | DCE<br>(Steve Platts)                            | 2012/12                    | Unknown                | Unknown            |
|                | <b>Recommendation 18</b><br>Increased membership and participation of the 200 Club                                                                                     | Environment and Leisure<br>(Ian Smith)           | Dec 2011                   | Unknown                | Unknown            |
|                | <b>Recommendation 19</b><br>Creation and adoption of a formal policy to apply a Green Fund to new development, along similar lines to the Affordable Housing mechanism | Regeneration and Neighbourhoods<br>(Simon Bevan) | April 2012                 | Unknown                | Unknown            |
|                | <b>Recommendation 20</b><br>Identification and promotion of suitable decentralised energy network locations                                                            | Environment and Leisure<br>(Ian Smith)           | On-going                   | Unknown                | Unknown            |
|                | Decarbonisation of the grid                                                                                                                                            | Central Government                               |                            | <b>335,200</b>         | <b>20.2</b>        |

|  |                                                 |              |  |                |             |
|--|-------------------------------------------------|--------------|--|----------------|-------------|
|  | Council measure (outlines above)                | Council wide |  | <b>24,350</b>  | <b>1.4</b>  |
|  | <b>Expected outcomes of the above proposals</b> |              |  | <b>359,550</b> | <b>21.3</b> |
|  | <b>Progress to date</b>                         |              |  | <b>18,980</b>  | <b>1.1</b>  |
|  | <b>2016 Target</b>                              |              |  | <b>378,530</b> | <b>22.4</b> |

## Appendix Two

### FUNDING STREAMS

#### Internal

**Salix** is an internal loan fund available to pay for energy saving measures to be installed in the Council's operational estate that have a payback of five years or less. The fund is repaid from energy bill savings. The fund was created in 2010 with £200K external contribution from Salix Finance (a Government backed organisation) and £200K match funding provide by the Council.

#### External

**RE:FIT** is a London Development Agency (LDA) mechanism to retrofit London's public sector buildings. With this the client (e.g. Fusion) would engage a contractor to identify, finance and install a set of measures into a set of buildings (e.g. the leisure centres) to deliver a predetermined energy saving (e.g. 20%) for a predetermined payback (e.g. five years). Since the contractor bears the risk of any shortfall (and would have to rectify this by installing more measures), the arrangement provides enough security for the client to borrow the upfront capital if required. This mechanism was set up by the LDA who have established a framework contract of contractors able to deliver the work and a £100 million fund (The London Green Fund) where not for profit bodies can access funding (at rates similar to the Public Works Loan Fund). The GLA pilot of RE:FIT on 42 buildings cut energy by 28% per site and delivered £1 million bill savings pa (for a £7 million investment – a 7 year payback).

**London Green Fund** is a £100 million fund set up to invest in schemes that will cut London's carbon emissions. Support will include loans to organisations wanting to use the RE:FIT mechanism and investment/ other support for medium to large scale decentralised energy systems.

**RE:NEW** is a LDA mechanism to retrofit London's homes with energy efficiency measures that Southwark was involved in piloting. In 2010, the London Development Agency (LDA) awarded the South East London Housing Partnership (SELHP) £503,594 in 2010-11 and £412,031 in 2011-12 to roll out the RE:NEW programme across the sub-region. SELHP consists of the London Boroughs of Bexley, Bromley, Greenwich, Lewisham and Southwark.

Nunhead and Dulwich wards were selected for roll-out of the RE:NEW scheme in Southwark. These wards were selected on the basis of their high potential for loft and cavity wall insulation and the fact that they are appropriately sized to deliver the target number of visits required by the LDA.

Southwark is the lead borough for finance and procurement under SELHP. In 2010, Southwark commenced a procurement exercise to select a contractor to deliver RE:NEW across the sub-region. The procurement exercise consisted of a mini-tender to select a contactor from an LDA framework.

In November 2010, the LDA announced that funding would no longer be available to deliver the scheme hence the procurement exercise came to a halt. In March 2011 it was announced that funding had been reinstated, although at a lower level than originally planned. £707,500 is now available to deliver RE:NEW across the London Boroughs of Bexley, Bromley, Greenwich and Southwark which works out at £176,875 per borough (Lewisham are procuring a separate scheme). The scheme must be completed by March 2012.

Approximately 6,000 home energy advice visits will take place across the SELHP sub-region. 1,500 of these visits will be delivered in Dulwich and Nunhead wards, resulting in savings for Southwark of approximately 750 tonnes CO<sub>2</sub> per annum. The CO<sub>2</sub> savings are based on an average of 0.5 tonnes CO<sub>2</sub> per household

**Green Deal:** from 2012, the Government is proposing that householders will be able to take out a loan of up to £6,500 to have energy efficiency measures installed in their home. This loan will be attached to the property and will be repaid through the energy bill savings. Measures installed will be based on an independent audit and the scheme is likely to bring lots of new providers into the market. A similar scheme will be available to businesses. This scheme is not yet in place and so subject to change.

**CERTS/ CESP/ Eco:** these are all legal obligations on energy suppliers to reduce CO<sub>2</sub> from homes by funding measures. CERT funds free loft and cavity wall insulation for those over 70 or in receipt of certain benefits. CESP was an attempt to encourage suppliers to fund a 'whole house' package of measures for homes in deprived areas such as the Peckham Low Carbon Zone. Eco will replace CERT in 2012 and will provide additional support for solid wall insulation.

**Feed in Tariff (FiT) and Renewable Heat Incentive (RHI)** are new financial incentives to install electricity generating (FiT) and heat generating (RHI) renewable energy systems. Systems receive a guaranteed income per unit of energy generated for the lifetime of the system. For example, a typical (2.2kW) domestic photovoltaic (PV – solar electric) installation costing £12,000, would earn around £920pa providing the householder an 8% return on his/her investment.

## Appendix Three

## EXAMPLES OF SALIX FUNDED SCHEMES IMPLEMENTED TO DATE

| Site                   | Measure                       | Installed Cost  | Bill Savings   | Payback (yrs) | CO <sub>2</sub> (t CO <sub>2</sub> ) |
|------------------------|-------------------------------|-----------------|----------------|---------------|--------------------------------------|
| Copeland Road Depot    | Lighting Upgrades             | £2,656          | £575           | 4.6           | 3.0                                  |
| Coroner's Court        | Lighting Upgrades             | £1,518          | £358           | 4.2           | 1.7                                  |
|                        | Pipework Insulation           | £1,883          | £1,187         | 1.7           | 6.1                                  |
| Damilola Taylor Centre | Lighting Controls             | £1,200          | £501           | 2.4           | 2.0                                  |
| Frensham Street Depot  | Lighting Upgrades             | £7,425          | £1,912         | 3.9           | 10.0                                 |
| Keyworth Street Hostel | Lighting Upgrades             | £2,864          | £610           | 4.7           | 3.2                                  |
| Kingswood House        | Lighting Upgrades             | £6,034          | £1,217         | 5.0           | 6.4                                  |
| Newington Library      | Lighting Upgrades             | £9,718          | £2,412         | 4.0           | 12.6                                 |
| Peckham Library        | BMS Controls                  | £7,730          | £2,269         | 3.4           | 12.6                                 |
| Sandgate Street Depot  | Lighting Upgrades             | £9,920          | £2,032         | 4.9           | 10.6                                 |
| Sumner House           | Heating Upgrades              | £3,750          | £1,977         | 1.9           | 11.0                                 |
|                        | Lighting Upgrades             | £12,980         | £3,956         | 3.3           | 20.5                                 |
|                        | Time Switches                 | £600            | £393           | 1.5           | 2.7                                  |
|                        | Voltage Optimisation          | £7,438          | £1,614         | 4.6           | 11.1                                 |
|                        | Pipework Insulation           | £2,243          | £1,647         | 1.5           | 8.5                                  |
| Thomas Calton Centre   | Lighting Upgrades             | £16,596         | £3,887         | 4.3           | 20.3                                 |
| Bournemouth Road       | Boiler Replacement            | £11,040         | £2,401         | 4.6           | 11.1                                 |
|                        | Lighting Upgrades             | £14,765         | £3,945         | 3.7           | 20.0                                 |
| Cerise Rd Car Park     | Voltage Optimisation          | £11,711         | £5,315         | 2.4           | 36.1                                 |
| Camberwell Library     | Draught Proofing              | £3,391          | £878           | 4.2           | 4.5                                  |
| Mabel Goldwyn House    | Pipework Insulation           | £1,804          | £1,145         | 1.7           | 5.9                                  |
| Dulwich Library        | Lighting Upgrades (Relamping) | £546            | £552           | 1.1           | 2.7                                  |
|                        | Draught Proofing              | £5,316          | £1,421         | 4.1           | 7.3                                  |
|                        | Lighting Upgrades (Controls)  | £2,475          | £1,238         | 2.2           | 6.1                                  |
|                        | Pipework Insulation           | £1,217          | £626           | 2.1           | 3.2                                  |
|                        | <b>TOTAL</b>                  | <b>£145,601</b> | <b>£43,441</b> | <b>3.2</b>    | <b>236</b>                           |

|                                   |                                |                                                                                                                                                                                                                                                                                                                                                               |                                                       |
|-----------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| <b>Item No:</b><br>15.            | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                                                                                                                                                                                                                                                                                                             | <b>Meeting Name:</b><br>Overview & Scrutiny Committee |
| <b>Report Title:</b>              |                                | Overview & Scrutiny Call-in Decision:<br>Procurement Strategy and Procurement award of Local Education Partnership to deliver design work for the Elephant and Castle Leisure Centre and adjacent residential building<br>Procurement Strategy for the appointment of the Local Education Partnership to construct the new Elephant and Castle Leisure Centre |                                                       |
| <b>Ward(s) or Group affected:</b> |                                | Cathedrals                                                                                                                                                                                                                                                                                                                                                    |                                                       |
| <b>From:</b>                      |                                | Overview & Scrutiny Committee                                                                                                                                                                                                                                                                                                                                 |                                                       |

## RECOMMENDATIONS

1. That the cabinet be requested to instruct officers to consult with Sport England and England Squash and Racquetball regarding design solutions to re-provide the two squash courts in a multi-use sports facility at the new Elephant & Castle leisure centre.
2. Should this be impossible, that cabinet be requested to seriously investigate the option of providing an equivalent squash court provision elsewhere in the borough.
3. That no later than the letting of the construction contract the cabinet satisfies itself that
  - a "fixed price contract" as referred to in paragraph 24 of the report will be entered into and
  - the monitoring of "value for money" is genuinely robust and independent

## BACKGROUND INFORMATION

4. Overview & Scrutiny Committee considered a call-in of this matter at their July meeting. The committee agreed not to refer the decision back for further consideration but made other recommendations for cabinet, as set out at paragraphs 1 – 3 above
5. On 30 June 2011 the cabinet member for finance, resources and community safety considered a report on the procurement strategy for the Elephant and Castle Leisure Centre and adjacent residential building.
6. The cabinet member:
  - Approved the procurement strategy and award of contract to 4 Futures (Southwark's Local Education Partner) to undertake design services for the



submission of the planning application for the Elephant and Castle Leisure Centre and adjacent residential building

- Approved the procurement strategy for the appointment of 4 Futures (Southwark's Local Education Partner) to undertake the construction of the Elephant and Castle Leisure Centre
- Noted that the final award of the contract for construction will be subject to a further procurement report for approval by Cabinet
- Noted the Value for Money (VfM) Protocol document will be adhered to ahead of any future award of construction contract.

### CALL-IN PROCESS

7. On 7 July 2011 the Chair of Overview & Scrutiny Committee - Councillor Cathy Bowman - and three members of the committee (Councillors Eckersley, Hubber and Noakes) requested a call-in of the decision on the following grounds:

- Inadequate justification of value-for-money and compliance with the MTRS by virtue of it being a non-competitive contract award.
- Lack of clarity re. relative cost/benefit analysis of multi-purpose sports hall v cafe provision. (England Squash & Raquetball projects build cost per squash court to be £40k and annual return to be circa £12k. Where are the projections - in terms of build costs and return - for a cafe and/or a crèche?).

No analysis of impact of decision to jettison squash courts and sports hall on a key strategic aim of the Council's Sport and Physical Activity Strategy, namely "Improving access and choice for the whole population".

8. The committee considered the call-in at its meeting on 11 July 2011. It received evidence from Councillor Richard Livingstone, the cabinet member, and Councillor Geoffrey Thornton, a ward member.

### BACKGROUND DOCUMENTS

| Background Papers                       | Held at                             | Contact                                              |
|-----------------------------------------|-------------------------------------|------------------------------------------------------|
| Cabinet member decisions                | 160 Tooley Street<br>London SE1 2QH | Bola Roberts<br>Constitutional Team<br>020 7525 7232 |
| Overview & Scrutiny Committee<br>Agenda |                                     | Peter Roberts<br>Scrutiny Team<br>020 7525 4350      |

**AUDIT TRAIL**

|                                                                         |                                            |                          |
|-------------------------------------------------------------------------|--------------------------------------------|--------------------------|
| <b>Lead Officer</b>                                                     | Shelley Burke, Head of Overview & Scrutiny |                          |
| <b>Report Author</b>                                                    | Peter Roberts, Scrutiny Project Manager    |                          |
| <b>Version</b>                                                          | Final                                      |                          |
| <b>Dated</b>                                                            | 8 September 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> |
| Communities, Law & Governance                                           | No                                         | -                        |
| <b>Cabinet Member</b>                                                   | No                                         | -                        |
| <b>Date final report sent to Constitutional Team</b>                    |                                            | 8 September 2011         |

|                                    |                                |                                                                                |                                 |
|------------------------------------|--------------------------------|--------------------------------------------------------------------------------|---------------------------------|
| <b>Item No.</b><br>16.             | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                              | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Authorisation of Debt Write-off over £50,000 for Health and Community Services |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All                                                                            |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Dora Dixon-Fyle, Health and Adult Social Care                       |                                 |

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

This debt arose in error in 2004. Since then, significant effort has gone into investigating the matter and trying to recover the monies. Unfortunately this and other methods have proved unsuccessful and indeed the organisation, a charity, has long since stopped operating. Lessons have been learnt by the department and indeed a new method of payment has been implemented to ensure that the risk of this happening again is minimal. Any identified payment made in error is recovered through the debt recovery procedure.

There is also the monthly debt management review of debts outstanding and where necessary debts are referred to the debt recovery team. Where all action has been taken and the debt is deemed irrecoverable, the debt is recommended for write off.

This debt is now irrecoverable as it is statute barred. I agree with the officer recommendation to write off this debt.

### **RECOMMENDATIONS**

1. That agreement is given for the write-off of a £69,721.02 debt relating to 'Federation of Black and Asian Drug and Alcohol workers'.

### **BACKGROUND INFORMATION**

2. Under the council's constitution write-off of debts of £5,000 up to £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 of £50,000 or over must be referred to cabinet for authorisation.
3. The debt was a payment made in error to the 'Federation of Black and Asian Drug and Alcohol workers' during 2004. This registered charity (no. 1084624) is no longer in existence.

4. Case law dictates that action cannot be taken against directors/trustees for debts incurred by the charity as a whole, unless one can show bad faith on the part of the directors/trustees. In this instance there is no evidence of bad faith.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

5. The proposed write-off is recommended in accordance with the Council's agreed write-off policies and procedures.

### **Commentary**

6. Payments were made in error to the charity during the financial year 2004/05. When the error was identified in April 2005 the recovery process began with the Council's debt collection contractor, Liberata.
7. Recovery action was hampered because of changes of address and the failure of the organisation to respond to communications and invitations to meetings. Traces were made but failed to identify the whereabouts of the organisation or its directors.
8. Enquiries to the Charity Commission in August 2009 revealed that no current contact details of trustees or the charity organisation existed. The last accounts submitted to the Commission related to 2002.
9. A further review was conducted by a Police Detective seconded to the Council, which concluded that the case should be closed. Investigating officers identified that it would require a substantial amount of Police time. The total cost of investigation and prosecution could exceed the value of the debt with little prospect of recovering the monies. It is also considered that the Crown Prosecution Service would not view this case as meeting their prosecution criteria.
10. All reasonable efforts have been taken to recover this debt which is now considered to be irrecoverable. The debt is more than six years old and statute-barred under the Statute of Limitations Act 1980.

### **Community impact statement**

11. All write-offs are considered with due regard to any potential community impact and on their own merits. This decision has been judged to have no or a very small impact on local people and communities

### **Resource implications**

12. The total debt recommended for write off is £69,721.02 relating to payments made in error in 2004/05. The debt write-off will be funded by the Health and Community Services bad debt provision

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Strategic Director of Communities, Law & Governance

13. This report recommends that the debt as set out in paragraph 7, be written off in accordance with the council's procedure on debt write-off. The strategic director of communities, law & governance agrees with the recommendation that the debt be written off as it is irrecoverable and now statute-barred.

### Finance Director

14. The recommended write-off will be contained within the Council's relevant bad debt provision and as such will not impact on the revenue account.

## BACKGROUND DOCUMENTS

| Background Papers                          | Held At              | Contact              |
|--------------------------------------------|----------------------|----------------------|
| Sundry debtors System report               | Central Finance Team | Jim Lo 020 7525 3348 |
| Individual case file                       | Central Finance Team | Jim Lo 020 7525 3348 |
| Legal correspondence                       | Central Finance Team | Jim Lo 020 7525 3348 |
| Audit and Risk – Met Police correspondence | Central Finance Team | Jim Lo 020 7525 3348 |

## APPENDICES

| No.  | Contact |
|------|---------|
| None |         |

## AUDIT TRAIL

|                                                                                 |                                                                            |                          |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------|
| <b>Cabinet Member</b>                                                           | Councillor Dora Dixon-Fyle, Cabinet Member of Health and Adult Social Care |                          |
| <b>Lead Officer</b>                                                             | Carl Rushbridge, Departmental Finance Manager (HCS)                        |                          |
| <b>Report Author</b>                                                            | Jim Lo                                                                     |                          |
| <b>Version</b>                                                                  | Final                                                                      |                          |
| <b>Dated</b>                                                                    | 28 July 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 September 2011                                                           |                          |

|                        |                                |                                                                                    |                                 |
|------------------------|--------------------------------|------------------------------------------------------------------------------------|---------------------------------|
| <b>Item No.</b><br>17. | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                                  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>   |                                | 22 Champion Grove, SE5 and 11 Desenfans Road, SE21 – Disposal of Freehold interest |                                 |
| <b>Wards affected:</b> |                                | South Camberwell and Village                                                       |                                 |
| <b>From:</b>           |                                | Councillor Richard Livingstone, Finance, Resources and Community Safety            |                                 |

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

This report proposes the sale of the council's freehold interest in 22 Champion Grove, SE5 and 11 Desenfans Road, SE21 with the capital receipts being earmarked for the Housing Investment Programme. It also proposes that responsibility for ensuring that the council receives best consideration for these properties is delegated to the head of property, in accordance with council policy.

The properties are currently empty, and are both at risk of deterioration and being squatted. The sale of this property is consistent with both the council's void strategy agreed in March 2009 (as part of the report on Capital Income Generation for the Housing Investment Programme and Hidden Homes) and the May 2011 void disposal strategy.

**RECOMMENDATIONS**

That the cabinet authorises

1. The head of property to dispose of the council's freehold interest in 22 Champion Grove, SE5 and 11 Desenfans Road, SE21 (the "Properties"), for a sum that in each case equates to the market value of the property.
2. The earmarking of the capital receipts for the purposes of funding the Housing Investment Programme.

**BACKGROUND INFORMATION**

3. On 17 March 2009 the then executive received a report from officers entitled 'Capital income generation for the Housing Investment Programme and Hidden Homes'. Amongst the recommendations of this report the executive noted the funding gap to meet its investment needs for its housing stock, to deliver a Southwark Decent Homes Standard for all tenanted homes. Further to this the executive noted the considerations for different funding options which were identified in the April 2008 executive report (Southwark's Decent Homes Standard), and agreed the disposal of empty homes (voids) – in line with paragraphs 16-25 of the March 2009 report.

4. Executive further resolved on the 17 March 2010 'that 100% of the receipts generated from the additional disposal of voids and land proposed by this report are used to fund both the housing investment programme to deliver Southwark's Decent Homes Standard and to deliver new housing through a Hidden Homes strategy and potentially some new build'.
5. The Properties have been identified as suitable for disposal as they meet the value requirements of the amended criteria set out in the 31 May 2011 cabinet decision which reviewed the void strategy, i.e. it is considered that each of the properties has a value in excess of £300,000.
6. 22 Champion Grove comprises a three storey Victorian end of terrace house. It is currently arranged as two self contained units. It is in a fair condition internally and externally but would benefit from some updating of the kitchen and bathroom. 11 Desenfans Road is a two storey semi detached Edwardian house. It is in a similar condition to Champion Grove. The Properties are identified in outline on the attached Ordnance Survey extracts at Appendix 1.
7. 22 Champion Grove is currently protected by 'live in' guardians, without which it would be at further risk of deterioration and becoming squatted.
8. The Properties are held in the Housing Fund (HF).
9. Authority to sell is delegated to the head of property in individual cases where the sale price is below a set council threshold. The sale price of the Properties will exceed this limit and cabinet approval is therefore required.
10. The Properties have been declared surplus to the council's requirements by the strategic director of regeneration and neighbourhoods.

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

11. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, council's are required to dispose of surplus property assets subject to best consideration and/or market value requirements. The sale of the Properties will comply with these requirements.
12. 22 Champion Grove is currently being marketed through Roy Brookes who are a long established Southwark based firm of estate agents. The Property will be actively marketed for a minimum of twenty eight days before any bids will be considered by the council. Depending on the level of interest informal tender may be used to identify the highest bidder. However, if the head of property considers that another method of sale will yield a higher capital receipt, then he may revert to an alternative means of sale. 11 Desenfans Road will shortly be marketed in a similar way with a yet to be appointed Dulwich based firm of estate agents.
13. The sale of the Properties to owner occupiers, developers and/or investors should ensure that they are quickly brought back into beneficial use.
14. This report recommends that the receipt from the sale of the Properties be earmarked for the Housing Investment Programme.

### **Policy implications**

15. The disposal of the Properties will generate a substantial capital receipt, which will be used to provide capital funding in support of the council's key priorities. This includes the provision, refurbishment and redevelopment of affordable housing. This assists the council in meeting its commitment to regeneration and sustainability in housing as demonstrated through the 2009-2016 Southwark Housing Strategy.
16. The disposal of the Properties is consistent with the recommendations contained within the report considered by executive on the 17 March 2009 entitled 'Capital Income Generation for the Housing Investment Programme and Hidden Homes'. This policy was further endorsed by the 31 May 2011 cabinet report which noted the progress made to date and resolved to continue and extend the void strategy.

### **Effect of proposed changes on those affected**

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

### **Community impact statement**

19. As these individual property sales are considered to be non-contentious, consultation is thought not to be appropriate.
20. The proposed sale of these individual properties will have little or no impact on the immediate community.

### **Resource implications**

21. This report recommends the disposal of the Properties on the open market for a sum that equates to the market value of the properties. The Properties have been declared surplus to the council's housing requirement.
22. The HF rent budget for 2011/12 allows for stock loss through void sales and we have requested that CLG take these into account in setting our self-financing debt level for 2012/13 onward. There is a loss of rental income for these properties in 2011/12. There are no current recurring costs.
23. As these Properties are being disposed of under the void strategy, set out in the report to Executive on 17 March 2009 and endorsed and extended at cabinet on 31 May 2011, the impact of loss of rental potential and on subsidy has been considered within the cumulative impact on the Housing Revenue Account of this strategy.



24. Disposals expenditure would include reasonable incidental management and legal charges which would be reimbursed from receipts, as well as sales and marketing costs as a percentage of the value of the receipt which is standard.
25. There are no other risks or costs involved.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

26. As the Properties all fall within the council's housing portfolio, the disposal can only proceed in accordance with Section 32 of the Housing Act 1985 for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
27. A number of general consents have been issued in the General Housing consents 2005. Consent A5.1.1 of the general consent for the disposal of Part II dwelling-houses states that a local authority may, subject to the provisions of that consent, dispose of one vacant house or vacant flat or vacant converted house to any individual for a consideration equal to its market value, provided that the purchaser (alone or with others) has not, under the consent in the paragraph A5.1.1 acquired another dwelling-house from the authority previously in the same financial year.
28. The report confirms that the properties are vacant. The head of property will need to ensure that the disposal price for each of the Properties is equal to its market value and the report sets out at paragraph 12 how this will be done.
29. In order to comply with Consent A5.1.1 the council will also need to ensure that the purchaser of each of the Properties confirms in the agreement for sale that they have not (alone or with others) purchased another property from the council in the same financial year. It is not considered likely that any one purchaser would be interested in purchasing more than one of the Properties.
30. The report indicates in paragraph 10 that the strategic director of regeneration and neighbourhoods declared the Properties surplus to the council's requirements.
31. If cabinet is satisfied that the requirements of the general consent have been satisfied cabinet may proceed with the approval of the recommendation

### **Departmental Finance Manager**

32. This report proposes that cabinet approve the sale of the council's freehold interests in 22 Champson Grove SE5 and 11 Desenfans Road SE21, with the capital receipts being earmarked for the Housing Investment Programme. This forms part of the council's void strategy as per paragraph 23. It is understood that the council will endeavour to obtain best consideration in the open market for these properties. The finance director also appreciates that there are no rental income currently received as the properties are empty; and that there will be reasonable costs and charges as normally related to the sale of properties.

**BACKGROUND DOCUMENTS**

| <b>Background Papers</b>                              | <b>Held At</b>                                                                       | <b>Contact</b>                  |
|-------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------|
| 22 Champion Grove, SE5 and<br>11 Desenfans Road, SE21 | Paul Davies<br>Development Team, Property<br>Division,<br>160 Tooley Street, SE1 2QH | Paul Davies on<br>020 7525 5529 |

**APPENDICES**

| <b>No.</b> | <b>Title</b>                                                 |
|------------|--------------------------------------------------------------|
| Appendix 1 | OS plans, the property - highlighted in bold: Champion Grove |
| Appendix 2 | OS plans, the property - highlighted in bold: Desenfans Road |

**AUDIT TRAIL**

|                                                                         |                                                                                            |                          |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------|
| <b>Cabinet Member</b>                                                   | Councillor Richard Livingstone, Cabinet Member for Finance, Resources and Community Safety |                          |
| <b>Lead Officer</b>                                                     | Eleanor Kelly, Deputy Chief Executive                                                      |                          |
| <b>Report Author</b>                                                    | Paul Davies, Principal Surveyor                                                            |                          |
| <b>Version</b>                                                          | Final                                                                                      |                          |
| <b>Dated</b>                                                            | 9 September 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 and Governance                   | Yes                                                                                        | Yes                      |
| Departmental Finance Manager                                            | Yes                                                                                        | Yes                      |
| <b>Cabinet Member</b>                                                   | Yes                                                                                        | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |                                                                                            | 9 September 2011         |

Draft pdf source

TITLE. 22 Champion Grove, SE5 8BW.



DRAWING No. LBS\_2667

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

DRAWN BY. MMANKTELOW  
Property Division

Original Scale - 1:1250

DATE. 25/8/2011

Subject to variation when reproduced from an Adobe pdf source



NOT FOR LEGAL USE



TITLE. 11 Desenfans Road, SE21 7DN.



DRAWING No. LBS\_2666

DRAWN BY. MMANKTELOW  
Property Division

DATE. 25/8/2011

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

Original Scale - 1:1250

Subject to variation when reproduced from an Adobe pdf source



NOT FOR LEGAL USE



|                                    |                                |                                                                         |                                 |
|------------------------------------|--------------------------------|-------------------------------------------------------------------------|---------------------------------|
| <b>Item No</b><br>18.              | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2011                                       | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Disposal of 4 Heaton Road, London SE15 3TH                              |                                 |
| <b>Ward(s) or groups affected:</b> |                                | The Lane                                                                |                                 |
| <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 November 2010, the cabinet agreed to dispose of our offices at 4 Heaton Road, SE15. This report proposes the sale of this property to the London Mutual Credit Union.

This sale not only generates a capital receipt for the authority, it also helps the Credit Union develop its valuable service for Southwark's residents. Furthermore, having an occupant for this currently empty premises may generate business at the southern end of Rye Lane at a time when it is important to have business confidence in the area in the wake of the August unrest.

### **RECOMMENDATIONS**

Cabinet is recommended to approve:

1. The disposal of the council's freehold interest in 4 Heaton Road, London SE15 3TH ("the Property"), as shown edged on the attached plan, to London Mutual Credit Union ("LMCU") on terms set out in the accompanying closed agenda report, subject to any further negotiations considered necessary by the Head of Property.
2. That should the sale not proceed to completion, the Property be re-offered for sale on the open market on terms to be approved by the head of property for the best consideration that can reasonably be obtained.

### **BACKGROUND INFORMATION**

3. On 23 November 2010, cabinet approved the next phase of the Modernisation programme including the rationalisation of further council-occupied office space. This provided for the disposal of the Property once surplus to operational needs. Following reorganisation of office space the Property is now available for disposal.
4. The Property is a two storey office close to central Peckham, built in the 1980s with its own car park to the rear. The Property has development potential but constricted by residential property close to the boundaries on both sides. The Property is held in the Commercial Property Holding Account.

5. LMCU (formerly Southwark Credit Union) approached the council recently with a requirement for office space. LMCU provides financial services including banking and short-term loans to residents of Southwark including many who might otherwise fall victim to excessive interest rates and other unscrupulous practices.
6. LMCU officers inspected the Property and their Board approved the acquisition subject to further negotiations which have now taken place. The acquisition of the Property will enable LMCU to expand its services to people throughout Southwark and further afield, with improved access for many current and potential clients in the immediate area.
7. The council commissioned a valuation of the Property to establish the Market Value. The terms provisionally agreed with LMCU are set out in a closed agenda report for reasons of commercial confidentiality.
8. The head of property recommends that the council proceeds with this sale as it meets all the relevant financial criteria and will result in an early capital receipt. It is also an opportunity to help LMCU, a not-for-profit organisation, continue to provide valuable services to the community.
9. It is intended to complete the sale of the Property as soon as possible and certainly within the current financial year. If the sale does not proceed for whatever reason, this report also seeks authority for the Property to be marketed and sold for the best consideration that can reasonably be obtained.
10. Vehicle access to the rear car park is via Wivenhoe Close, a Housing estate road. It will be necessary to grant a right of access in order to allow the Credit Union and their clients to use the car park which will be of particular importance to clients with disabilities. Appropriate arrangements will be made to reflect existing use of the roadway.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

11. The disposal of the Property is in line with the strategy of modernising council working practices by reducing the number of satellite offices across the borough. Bringing together staff and rationalising offices has delivered a culture change in the quality and consistency of customer service. Disposal of surplus offices enables savings in property repairs and maintenance as well as occupation and facilities management costs at decommissioned sites.
12. The proposal will help to meet the council's commitment to carbon reduction through replacement of outdated energy-hungry accommodation with modern office space.

### **Community impact statement**

13. The community impact of proposals to rationalise administrative offices has been addressed in the report to cabinet on 23 November 2010 which dealt with the principle of disposal.

14. Improved access to financial services at a reasonable cost will have a positive impact on the area and the community and will enhance the quality of those services available to residents.

#### **Resource implications**

15. This proposal will generate a capital receipt in the financial year 2011/12.
16. LMCU will also contribute towards the council's administrative costs.
17. The disposal of the Property will release revenue currently put towards its maintenance and security.

#### **Consultation**

18. Consultation has taken place as part of earlier authorities including the cabinet report of 23 November 2010. Should there be any change of use or development requiring planning consent, consultation necessary for those processes will take place.

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

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

19. The legal concurrent of the Strategic Director for Communities, Law and Governance is set out in the closed agenda report.

##### **Finance Director**

20. Contained in the closed report.

#### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b>         | <b>Held At</b>                                                                 | <b>Contact</b>                                            |
|----------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------------|
| Cabinet report, 23 November 2010 | Southwark Property, Regeneration and Neighbourhoods, 160 Tooley Street SE1 2TZ | Christopher Rhodes<br>Principal Surveyor<br>020 7525 5480 |

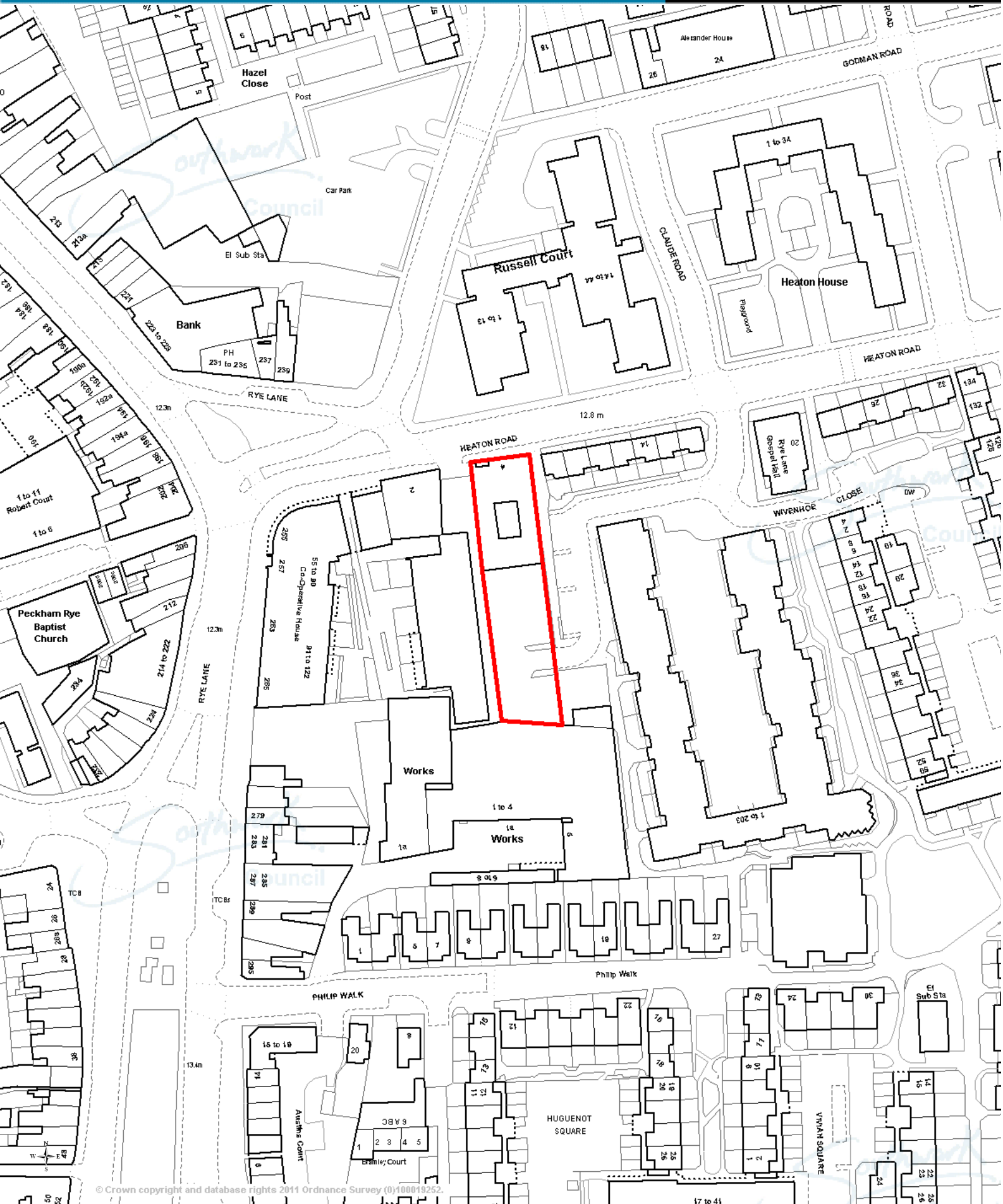
#### **APPENDICES**

| <b>No.</b> | <b>Title</b> |
|------------|--------------|
| Appendix 1 | Plan         |

## AUDIT TRAIL

|                                                                         |                                                                         |                          |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------|
| <b>Cabinet Member</b>                                                   | Councillor Richard Livingstone, Finance, Resources and Community Safety |                          |
| <b>Lead Officer</b>                                                     | Eleanor Kelly, Deputy Chief Executive                                   |                          |
| <b>Report Author</b>                                                    | Christopher Rhodes, Principal Surveyor                                  |                          |
| <b>Version</b>                                                          | Final                                                                   |                          |
| <b>Dated</b>                                                            | 9 September 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>                    | 9 September 2011                                                        |                          |





**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 /<br>B Hargove / R Livingstone / C McDonald /<br>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 /<br>G Edwards / D Garfield / D Hubber / V Mills /<br>D Noakes/ the Right Revd E Oyewole / M<br>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          |        |