

## Cabinet

Tuesday 13 December 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

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

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Members of the committee are summoned to attend this meeting

**Councillor Peter John**  
Leader of the Council  
Date: 5 December 2011



# Cabinet

Tuesday 13 December 2011

4.00 pm

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

## Order of Business

| Item No.  | Title   | Page No. |
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|           | <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 - 7    |
|           | To approve as a correct record the minutes of the open section of the meeting held on 22 November 2011.   |          |

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| 6.       | <b>DEPUTATION REQUESTS</b>  |          |
|          | To consider any deputation requests.  |          |
| 7.       | <b>HAWKSTONE LOW-RISE OPTIONS APPRAISAL</b>   | 8 - 30   |
|          | To note the findings of the Hawkstone low-rise options appraisal and to approve the preferred option of enhanced refurbishment and these works are programmed in the housing investment programme for 2012/13.  |          |
| 8.       | <b>FIRE SAFETY WORKS AT CANADA ESTATE - REPORT OF THE HOUSING AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE</b>   | 31 - 38  |
|          | To note the recommendations of the review of fire safety works at Canada Estate undertaken by the housing and community safety scrutiny sub-committee and asks the lead cabinet member to report back to cabinet.   |          |
| 9.       | <b>ESTABLISHMENT OF A HOUSING COMMISSION FOR SOUTHWARK</b>  | 39 - 47  |
|          | To approve the establishment of a Housing Commission for Southwark entitled "London Borough of Southwark independent commission on the future of council housing".  |          |
| 10.      | <b>POLICY AND RESOURCES STRATEGY 2012/13 - 2014/15 - PROVISIONAL LOCAL GOVERNMENT SETTLEMENT</b>  |          |
|          | Report to follow.   |          |
| 11.      | <b>HOUSING REVENUE ACCOUNT - INDICATIVE RENT - SETTING AND BUDGET REPORT 2012/13</b>  | 48 - 72  |
|          | To note on a provisional basis the rent increase in compliance with the government's rent guidance and to instruct officers to provide a final report on rent setting and the housing revenue account after due consultation to cabinet on 24 January 2012. |          |
| 12.      | <b>SOUTHWARK COUNCIL'S APPROACH TO EQUALITY- DELIVERING A FAIRER FUTURE FOR ALL</b>   | 73 - 89  |
|          | To note the requirements of the Equality Act 2010 and Public Sector Duty Act 2011 and to agree the council's approach to equality and human rights.   |          |

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| 13.      | <b>CHANGES TO DELIVERY ARRANGEMENTS FOR THE YOUTH SERVICE</b>  | 90 - 105  |
|          | To agree to the development of new delivery arrangements for the youth service and to agree measures to achieve a redesigned service.  |           |
| 14.      | <b>VIOLENT CRIME STRATEGY UPDATE</b>   | 106 - 121 |
|          | To note the progress made in delivering the recommendations set out in the violent crime strategy 2010-15 and to note the significant reductions in most serious violent offences in 2011/12.  |           |
| 15.      | <b>HATE CRIME STRATEGY</b>   | 122 - 155 |
|          | To approve the hate crime strategy for Southwark 2011-2015.  |           |
| 16.      | <b>DISPOSAL OF THE ROTHERHITHE LIBRARY, ALBION STREET, LONDON SE16 7HY</b>   | 156 - 161 |
|          | To agree to the disposal of the Rotherhithe library and civic centre.  |           |
| 17.      | <b>BADMINTON HOUSE, QUORN ROAD, SE22 - DISPOSAL OF FREEHOLD INTEREST</b>   | 162 - 168 |
|          | To seek approval for the disposal of the council's freehold interest in Badminton House, Quorn Road, SE22.   |           |
| 18.      | <b>DISPOSAL OF LONG LEASE OF SOUTHWARK TOWN HALL, 31 PECKHAM ROAD, SE5 8UB</b>   | 169 - 179 |
|          | To seek approval for the transfer of the Town Hall, 31 Peckham Road with ancillary areas for use by the University of Arts London by way of a long lease subject to planning consent to its development partner Alumno.  |           |
|          | <b>DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING</b>  |           |
|          | <b>EXCLUSION OF PRESS AND PUBLIC</b>   |           |
|          | The following items are included on the closed section of the agenda. The Proper Officer has decided that the papers should not be circulated to the press and public since they reveal confidential or exempt information as specified in paragraphs 1-7, Access to Information Procedure Rules of the Constitution. The specific paragraph is indicated in the case of exempt information. |           |
|          | The following motion should be moved, seconded and approved if the cabinet wishes to exclude the press and public to deal with reports   |           |

revealing exempt information:

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

**PART B - CLOSED BUSINESS**

**19. MINUTES**

To approve as a correct record the closed minutes of the meeting held on 22 November 2011.

**20. DISPOSAL OF THE ROTHERHITHE LIBRARY, ALBION STREET, LONDON SE16 7HY**

**21. BADMINTON HOUSE, QUORN ROAD, SE22 - DISPOSAL OF FREEHOLD INTEREST**

**22. DISPOSAL OF LONG LEASE OF SOUTHWARK TOWN HALL, 31 PECKHAM ROAD, SE5 8UB**

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

Date: 5 December 2011



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 22 November 2011 at 4.00 pm at 160 Tooley Street, London SE1 2QH

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

### 1. APOLOGIES

Apologies for absence were received from Councillor Barrie Hargrove.

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

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

Items 14 and 18: Elephant and Castle Regeneration - Shopping Centre

Items 15 and 19: Elephant and Castle Regeneration - Variation of Regeneration Agreement

### 3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

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

There were no public questions.

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

That the open minutes of the meeting held on 18 October 2011 be approved as a correct record and signed by the chair.

**6. DEPUTATIONS**

There were no deputation requests.

**7. RESPONSE TO THE EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE'S REVIEW OF SCHOOL ADMISSIONS****RESOLVED:**

1. That the response to the recommendations of the education and children's services scrutiny sub-committee be noted and agreed.
2. That the action plan attached as Appendix 1 to the report be agreed.
3. That a report on the progress of implementing the recommendations be submitted to the education and children's services scrutiny sub-committee in May 2012.

**8. UPDATED RESPONSE TO THE HOUSING AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE'S REVIEW OF HOUSING REPAIRS KEY PERFORMANCE INDICATORS (KPIS)****RESOLVED:**

1. That the update on progress on delivering the housing and community safety sub-committee's recommendations be noted.
2. That the ongoing monitoring of the action plan and progress take place at the repairs core group, chaired by the deputy leader and cabinet member for housing.
3. That the additional activity being undertaken to improve the repairs service be noted.
4. That a report on the progress made in relation to the action plan be reported to the April 2012 cabinet.

**9. QUARTERLY REVENUE MONITORING REPORT QUARTER 2, 2011/12, INCLUDING TREASURY MANAGEMENT****RESOLVED:**

1. That the following be noted:

- 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 second quarter of 2011/12.
2. That the forecast performance for the council tax and business rates collection fund be noted, and that it also be noted that a report will be brought to cabinet on the performance of the service since moving it in-house.
  3. That the general fund budget movements as shown in Appendix A of the report be approved.

## **10. QUARTERLY CAPITAL MONITORING REPORT QUARTER 2**

### **RESOLVED:**

1. That the addition of budgets into the programme, matched by additional funding secured since the last report to cabinet be approved.
2. That the current monitoring position for the general fund capital programme 2011-21 and housing investment programme 2011-16 as at 30 September 2011 (Appendices A, B and D of the report) be noted.
3. That the additions into the programme of budgets relating to existing cabinet decisions and the movement of existing schemes between departments. (Appendix C of the report) be noted.

## **11. DISPOSAL OF 1-11 (ODD) PYTCHLEY ROAD, EAST DULWICH SE22 8DG**

### **RESOLVED:**

1. That the head of property be authorised to dispose of the council's freehold interest in 1-11 Pytchley Road, SE22 8DG ("the Property"), on the terms outlined in the closed version of the report.
2. That the capital receipt to replenish the housing investment programme from which the East Dulwich Estate refurbishment programme was forward funded be authorised.
3. That the head of property be authorised to agree the precise terms of the sale, with the purchaser, and to agree terms with any of the under bidders subject to best consideration requirements in the unlikely event the original offer fails to progress to completion.



## 12. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

### RESOLVED:

#### Community Response to August's Disturbances

### RESOLVED:

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

(1) *That council assembly notes the letter to all members from the leader of the council on 7 September outlining tonight's theme.*

(2) *That council assembly notes the disturbances and looting that took place on 8 August 2011 and condemns the criminality and lawlessness which took place across the borough. However, it further notes residents' response in the days that followed, and the action by our community to come together and repair the damage that had been done.*

(3) *That council assembly believes that this community response more accurately reflects the state of the borough than the disturbances themselves, but further believes that the causes of the disturbances require a genuine and thoughtful response.*

(4) *That council assembly notes the authority's ongoing "community conversations", engaging with residents on the causes of the disturbances. It calls on the leader to update members on the council's response to disturbances of the initial findings of the "community conversations".*

(5) *That council assembly believes that the themed debate ought to feed into that wider "community conversations" and notes the questions contained within the leader's letter:*

- *What caused the outbreak of disturbances and looting in Southwark?*
- *What caused the community to respond in the positive way that it did?*
- *What can we all do to continue to build our civil society in Southwark?*

*Council assembly calls on all members to contribute their views on those three questions in the debate. It calls on the cabinet to take those views on board, to feed them into the ongoing community conversation and to feed back to council assembly on what action will be taken following the community conversations in no more than six months.*

(6) *That council assembly calls on cabinet to ensure feedback from the council's community conversations informs how we can create a fairer future for all in Southwark.*

2. That it be noted that the council continues to respond and be involved in the local and national debate on the riots. The government's inquiry into the August riots chaired by Darra Singh and the 'community conversation' work undertaken by the council was also noted.

### **Payday Loans**

#### **RESOLVED:**

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

- (1) *That council assembly notes the large number of "payday loan" shops in the borough; particularly in Peckham and on the Walworth Road.*
- (2) *That council assembly notes that the interest rates charged on these loans can often be in excess of 2000% meaning that the average borrower ends up paying far more than the original cost of the loan.*
- (3) *That council assembly believes that charging such large interest rates on loans to often financially vulnerable people is exploitative and takes money away from individuals and families at a time when the cost of living is rising.*
- (4) *That council assembly also notes that many lenders use underhand means to lure consumers into automatic loan renewals, fail to disclose the true cost of the loan, or use other usurious tactics to sink consumers in a quagmire of debt.*
- (5) *That council assembly believes lending of this kind is both socially and financially irresponsible and a scourge on our communities. It condemns the prevalence of these businesses on Southwark high streets and calls for alternative low cost loans to be made available to our residents.*
- (6) *That council assembly believes this is an issue of concern to people across the political spectrum and calls for all political parties in Southwark to support and prioritise alternative affordable models of lending, particularly those provided by London Mutual Credit Union. Council assembly welcomes the proposal by London Mutual Credit Union to introduce a new affordable loan which will be available to Southwark residents and calls on all members to contribute their views on this issue.*

### **13. ELEPHANT AND CASTLE SUPPLEMENTARY PLANNING DOCUMENT/OPPORTUNITY AREA PLANNING FRAMEWORK**

#### **RESOLVED:**

That the draft Elephant and Castle supplementary planning document/opportunity area planning framework (Appendix A of the report) be approved for consultation and the consultation plan (Appendix B of the report), the equalities impact assessment (Appendix C), the sustainability appraisal (Appendix D) and the appropriate assessment carried out under the EU Habitats Directive (Appendix E) of the report be noted.

#### **14. ELEPHANT AND CASTLE REGENERATION - SHOPPING CENTRE**

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent to enable the development agreement between KPI SARL to be completed on programme so as not to delay the regeneration of the shopping centre. In particular, the board of KPI SARL would not release funding to move forward detailed design work until the agreement had been signed. The cost of the design work was considerable and KPI SARL needed a contractual commitment from the council (this report) to enter into such expenditure. A delay in completing the contract by the council would mean that design works would have begun three months later than programmed with a consequential knock on effect to the regeneration programme. This was contrary to the council's aspiration to bring forward the regeneration as soon as possible.

Additionally, the report needed to be considered on the same agenda as the Elephant and Castle Regeneration Agreement variation report, as the co-operation agreement formed part of an overall package in relation to the regeneration.

#### **RESOLVED:**

Cabinet agrees to enter into agreements with Lend Lease (Elephant and Castle) Ltd and KPI III SARL to take forward the regeneration of the Elephant and Castle Shopping Centre on the principal terms set out in Appendices A and B of the closed version of the report and to vary the Elephant and Castle Regeneration Agreement to reflect the change in delivery approach as a result.

#### **15. ELEPHANT AND CASTLE REGENERATION - VARIATION OF REGENERATION AGREEMENT**

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent as the input of additional funding from Lend Lease was conditional upon the cabinet considering and determining the proposed variations at the 22 November 2011 meeting. Failure to consider the report at this meeting would have put this additional funding at risk.

#### **RESOLVED:**

That agreement be given to vary the Regeneration Agreement as set out in the closed version of the report.

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

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 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.

**16. MINUTES**

The minutes of the closed section of the meeting held on 18 October 2011 were approved as a correct record and signed by the chair.

**17. DISPOSAL OF 1-11 (ODD) PYTCHLEY ROAD, EAST DULWICH SE22 8DG**

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

**18. ELEPHANT AND CASTLE REGENERATION - SHOPPING CENTRE**

The cabinet considered the closed information relating to this report. See item 14 for decision.

**19. ELEPHANT AND CASTLE REGENERATION - VARIATION OF REGENERATION AGREEMENT**

The cabinet considered the closed information relating to this report. See item 15 for decision.

The meeting ended at 5.30pm

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 30 NOVEMBER 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>13 December 2011  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Hawkstone Low-Rise Options Appraisal  |                                 |
| <b>Ward(s) or groups affected:</b> |                                | Rotherhithe Ward  |                                 |
| <b>Cabinet Member:</b>             |                                | Councillors Fiona Colley, Regeneration and Corporate Strategy and Ian Wingfield, Deputy Leader and Housing Management |                                 |

**FOREWORD - COUNCILLORS FIONA COLLEY, CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY AND IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT**

After years of uncertainty and delays we are delighted to be able to take a firm decision for the future of the Hawkstone Estate Low-rise blocks.

Having closely monitored works on three pilot flats, we can now be confident that the Hawkstone low-rise blocks can be safely refurbished without residents having to move out of their homes and that the works can be delivered within the budget initially allocated to the Hawkstone estate in the council's 2 year investment programme, which members will be aware should have meant that works were already underway to these blocks prior to the commencement of the current 5 year housing investment programme.

It is right that a range of other options were considered and consulted on alongside the refurbishment options considered for the Hawkstone low-rise blocks. Although it has required intensive focus and commitment from residents, it would not have been right to extend the period of uncertainty when steps could have been taken to reach a decision as soon as possible - Hawkstone low-rise residents have been living with uncertainty over the future of their homes for too long

Following this work we are pleased to recommend our preferred option of enhanced refurbishment of the Hawkstone low-rise blocks which can be afforded within the money already made available for the Hawkstone estate, and which will contribute towards the council's aspirations for a 30 year asset management plan to follow on from our commitment to make all homes warm, dry and safe.

We'd like to thank all the residents who have assisted us in this appraisal and consultation work and in particular the residents who kindly allowed pilot study works to be conducted in their homes.

We now look forward to progressing these works as quickly as possible and making every home on the Hawkstone Estate warm, dry and safe.

**RECOMMENDATIONS**

1. That the cabinet notes the findings of the Hawkstone low-rise options appraisal.

2. That the cabinet approves the adoption of the preferred option of enhanced refurbishment of the Hawkstone low-rise blocks and that these works are programmed into the housing investment programme for financial year 2012/13.
3. That officers report to cabinet on the implementation of this option only if matters arise that mean that an enhanced refurbishment option can not be implemented within the resources that have been made available for the Hawkstone estate.

### **BACKGROUND INFORMATION**

4. On 31 May 2011, cabinet approved consultation on the council's draft five year housing investment programme. Within that report, 6 housing estates were identified as requiring high investment in order to refurbish them to the government decent homes standard. These estates were the Brandon Estate, Aylesbury Estate, Elmington Estate, Four Squares, Hawkstone low-rise and Abbeyfield estate.
5. Agreed investment approaches are in place for the Brandon, Aylesbury and Elmington estates. Cabinet therefore agreed that officers undertake options appraisals for the remaining three estates in consultation with residents, namely the Four Squares, Abbeyfield and Hawkstone low-rise.
6. Officers reported back to cabinet on 18 October 2011 on the progress made to date in carrying out these options appraisals. Cabinet noted progress and approved an updated project plan for the three estates, which stated that a further report would be provided to cabinet in December 2011 outlining the outcome of the Hawkstone low-rise options appraisal. Officers were directed to report back on the outcome of the Four Squares and Abbeyfield estate options appraisals in February 2012.

### **KEY ISSUES FOR CONSIDERATION**

7. It was noted in the cabinet report of 18 October 2011 that the council's options appraisal methodology consists of an evaluation of net present value, strategic fit and risk.
8. In order to provide the quantitative information required to feed into this evaluation, a technical advisor team was appointed to undertake costed building condition and land capacity surveys. A quantity surveyor was appointed to review the stated costs identified in these surveys. These appointments were made in keeping with council contract standing orders, with two residents from the Hawkstone low-rise options appraisal resident steering group (hereafter referred to as the Hawkstone RSG) participating fully in the procurement exercise. MACE was appointed to advise on building condition, PRP architects was appointed to advise on land capacity and Potter Raper was appointed as independent advisors on cost.

### **Building condition survey findings**

9. MACE was directed to review existing information on stock condition held by the council in relation to the Hawkstone low-rise blocks as well as carrying out their own surveys. An important element of this information concerned the findings emerging from works undertaken to three pilot flats in the low-rise blocks.

10. Works were undertaken to an initial void pilot flat in a Hawkstone low-rise block by the council's major-works partnering contractor Wates. Wates concluded that it would not be possible to undertake decent homes refurbishment works with residents in situ due to the prevalence of asbestos within dwellings. Following further discussion, Wates undertook to carry out and closely monitor works to an additional two pilot flats in order to determine if it were possible to safely replace windows in these flats with residents in situ.
11. The findings that have emerged from the second pilot flat indicate that it is possible to replace windows in these flats without causing any risk to the occupants' health by the disturbance of asbestos. Works to a further pilot flat were undertaken to further verify that this is the case. The second pilot flat has confirmed that the metal single-glazed windows in the low-rise blocks can be removed and replaced safely with double-glazed UPVC windows, leaving the timber surrounds in place without disturbing the asbestos within the overall structure. The second pilot has also identified that it is possible to safely over-clad the remaining timber frame, encapsulating the external asbestos board with residents in situ.
12. Taking into account the findings of previous surveys, including the Wates pilot works, and their own representative sample survey of 10 per cent of the low rise properties, MACE identified the range of works that were necessary in order to ensure that the homes met the following criteria:
  - Warm, dry and safe in accordance with the investment strategy adopted in May 2011 and the 5 year programme agreed in October 2011
  - An enhanced standard to enable the blocks to meet the 30 year investment cycle criterion set for the council's housing investment programme.
13. In order to ensure that the lifecycle costs of each refurbishment option were taken into account in making an investment decision for the Hawkstone low-rise blocks, MACE was also asked to identify a schedule of maintenance that would need to be undertaken on the blocks, based on the assumption of a 10 year maintenance cycle.
14. One of the key findings to emerge from the MACE surveys was that refurbishment works could be carried out to both the standards set out above with residents in situ, only requiring residents to temporarily vacate their properties for a period of up to five hours where asbestos-bearing kitchen or bathroom panels would be disturbed due to major kitchen or bathroom works and full asbestos management measures were therefore necessary.

### **Land capacity survey findings**

15. PRP architects were asked to identify areas of additional land capacity on the Hawkstone estate.
16. In identifying viable infill development or redevelopment opportunities within the area, PRP considered the following:
  - Existing development within the area
  - Current use and quality of existing spaces
  - Resident feedback on both of the above

17. All these factors were of importance because the purpose of considering development was to provide finance for the scheme to be delivered, and if necessary to provide rehousing capacity.
18. PRP then designed three, phased, additional development options for the Hawkstone estate which were:
  - Infill development on the old doctor's surgery and Hawkstone Road garage site with environmental improvements to the areas immediately surrounding the low rise blocks.
  - Infill development on the old doctor's surgery and Hawkstone Road garage site with redevelopment of Rotherhithe Old Road and 15 1-bedroom homes from Canute Gardens with environmental improvements to the areas immediately surrounding the low rise blocks and also to existing amenity space.
  - Infill development on the old doctor's surgery and Hawkstone road garage site with complete, phased redevelopment of all the Hawkstone low-rise blocks.

### **Developing the five options**

19. The findings of both the building surveyors and architects were then combined to produce five draft options to be appraised for the Hawkstone low-rise blocks, which were then discussed with residents at a Hawkstone RSG meeting on 12 October 2011 and at a Hawkstone Tenant and Residents' Association meeting on 26 October 2011.
20. Taking into account feedback from residents, and information made available as the building surveys progressed, the options were developed in further detail and then consulted on at an options appraisal day held on 3 November 2011, Residents of the low-rise Hawkstone blocks and of John Kennedy House and Brydale House were leafleted and encouraged to attend this event.
21. Residents from 45 households from the Hawkstone Estate attended. Display boards describing the detail of each option, and a 3D scale-model were made available for residents to consider. Both the architect and building surveyor teams were available for residents to question about each option, as were council officers from the Estate Regeneration and Housing Investment Teams. Residents' feedback was collected by use of questionnaire forms.
22. The five draft options were:
  - Option 1: Refurbishment of the low rise blocks to make homes warm, dry and safe
  - Option 2: Enhanced refurbishment of the low rise blocks to enable the blocks to last for 30 years
  - Option 3: Enhanced refurbishment of the low rise blocks with additional works to communal areas and facades, including full replacement of kitchens and bathrooms with infill development on the Hawkstone garage site and old doctor's surgery site
  - Option 4: Demolition of Old Rotherhithe Road and part of Canute Gardens with enhanced refurbishment of the retained low rise blocks and infill development on the Hawkstone garage site and old doctor's surgery site.
  - Option 5: Full demolition and redevelopment of the Hawkstone low-rise



blocks.

23. The option that received the most favourable response from Hawkstone low rise residents was for an enhanced refurbishment option, with 15 low-rise residents responding favourably and seven responding unfavourably. When residents were asked if they would support infill development if it helped to generate sufficient resource to facilitate an enhanced refurbishment option, respondents were evenly split, with seven saying yes, and seven saying no. There was a largely indifferent or negative response to option three, with 10 low rise residents disliking the option and only six liking it. Officers received a number of questions from residents about the rehousing implications of the options that involved a level of redevelopment of the low-rise blocks, particularly around the rehousing process and the option to return.
24. Following on from the consultation event, it was confirmed by the building condition study that the replacement of kitchens as part of option two could substantially increase the cost of an enhanced refurbishment standard by requiring the removal of asbestos and the replacement of external panels attached to kitchen windows. Given the responses received from the consultation event that seemed to show support for an enhanced refurbishment standard without infill development, it was decided by the project team to adjust options two, three and four to take into account this new information and the feedback received from the consultation event as below:
  - Option two: Refurbishment of the low-rise blocks to ensure a 30 year life, including replacement of kitchens only where it is evident that they are not fit for purpose; replacement of windows with double glazed UPVC windows, with overcladding.
  - Option three: Refurbishment of the low-rise blocks to ensure a 30 year life, including new kitchens and bathrooms where they are either unfit for purpose or fail on the decent homes 'modernity' criterion with replacement of windows with double glazed composite timber-aluminium windows, with overcladding to the blocks, and development on two infill sites (the old doctor's surgery site and the garage site)
  - Option four: Refurbishment of Jarman House and part of Canute Gardens to ensure a 30 year life to the same standard as listed in option three, with redevelopment of Rotherhithe Old Road and 15 properties in Canute Gardens.
25. Residents were then written to and informed of the changes that had been made to the draft options in response to the consultation event and offered the opportunity to attend a drop-in session with council officers in order to pose any questions they might have about the revised options.
26. The feedback session was relatively well attended with 20 residents dropping in to find out more about the final options to be appraised. Many of the residents who attended the feed-back session had attended the options appraisal drop in session (11 of the 14 respondents who provided this information). Of the 14 residents who filled in a feedback survey, 10 were from the low-rise blocks. Five of the low-rise respondents expressed a strong preference for a refurbishment option, one respondent expressed a preference for option three and three respondents did not comment.
27. The draft options remained the basis of the final options to be appraised,

although further detail had emerged before appraisal concerning the precise extent of refurbishment works to each option; precise rehousing dates for the redevelopment options taking into account the council's existing rehousing in regeneration schemes commitments and feedback from planners on PRP's designs for the options with development implications – options 3 to 5.

### **The preferred option**

28. The options appraisal consultation process was run in parallel with the undertaking of the building surveys, land capacity surveys and cost analysis of the works identified as necessary to the Hawkstone low-rise blocks. These processes were run in parallel, rather than subsequent to each other, in order to provide the opportunity to arrive at an investment decision over the future of the Hawkstone low-rise blocks at cabinet by December 2011.
29. One of the major implications arising from the findings of the two pilot flats and the wider surveys undertaken by MACE was a consensus that refurbishment works to the low-rise blocks could largely be undertaken with residents in situ, with a limited range of works perhaps requiring residents to move to a daytime respite facility for up to five hours. This significantly brought the estimated cost of works down from previous estimates.
30. The need to develop and consider options three to five arose from the potential need to explore investment options for the Hawkstone low-rise blocks, should it emerge that refurbishment could not be achieved within the council's available resources, and if rehousing was found to be necessary.
31. For the purposes of completeness, the five options that had been consulted on with residents were run through the council's options appraisal model after it became known that according to estimates, both options one and two could be resourced from the provision made in the council's housing investment programme, and were assessed against the criteria as outlined in the October 2011 cabinet decision.
32. Assessment of NPV was based on the costings provided to the council by the quantity surveyor and the anticipated land values as provided by a council valuer for options three, four and five. The information informing these valuations was provided by architects and advice from council officers concerning planning requirements affecting the Hawkstone estate. The following was assumed:
  - All new homes were compliant with Southwark's minimum dwelling sizes as set out in the residential design standards supplementary planning document (2011)
  - In accordance with the core strategy (2011) that for each option, 60% of the homes provided had 2 bedrooms or more, and that 20% of the homes provided had 3 bedrooms or more.
  - In accordance with the core strategy (2011) and the saved Southwark Plan (2007) that for each option, a minimum of 35% of the homes provided were affordable, with 70% of those homes being of intermediate tenure and 30% being social rented
  - That all social rented homes were set at target rent in accordance with the affordable housing supplementary planning document.
33. Initially, across all three options, land values were predicated on the assumption

that all affordable housing lost via redevelopment was re-provided as part of the new scheme and that 35% of the net additional homes were provided as affordable housing to enable existing Hawkstone residents to move into new homes if they chose too. This assumption rendered the redevelopment values of options 3, 4 and 5 as negative. Following on from this, the assumption that was modelled and run through the options appraisal is as appears at paragraph 32 – namely that 35% of new homes across the development are provided as affordable. This yielded positive land values.

34. The resulting implication of the above is that a deliverable redevelopment option would be one that did not make provision to rehouse all Hawkstone low-rise residents. Based on the figures run through the options appraisal model, under option four, nine social rented homes would be made available and under option five, 21 social rented homes would be made available. Taking into account Southwark's nominations protocols, Southwark would be able to nominate to seven and 16 of these properties respectively.
35. The strategic fit and risks associated with each option were scored by five council officers drawn from the estate regeneration, property and housing services teams. The ranking of the options against net present value (NPV), strategic fit and risk are shown in table one below.

**Table 1: Average ranking of options 1 to 5 (1 is best performing, 5 is worst)**

| Option   | Ranking |               |      | Average ranking |
|--|---------|---------------|------|-----------------|
|  | NPV     | Strategic Fit | Risk |                 |
| Option 1: Warm, Dry, Safe  | 2       | 5             | 3    | 3.3             |
| Option 2: Enhanced refurbishment   | 3       | 1             | 1    | 1.7             |
| Option 3: Enhanced refurbishment and infill development  | 4       | 4             | 2    | 3.3             |
| Option 4: Enhanced refurbishment of retained low rise blocks and partial redevelopment of the remainder, with infill development | 5       | 3             | 4    | 4.0             |
| Option 5: Full redevelopment   | 1       | 2             | 5    | 2.7             |

36. Overall, option 2 ranked best, averaging a rank of 1.7 across the three areas of consideration. Option 2 scored particularly well on risk and strategic fit; the fit of this option with resident aspirations was deemed to be extremely good based on the priorities that had been made known to the council by residents via the written consultation carried out over September 2011 and the two options appraisal consultation events that were held in November 2011. These showed that there was:

- Support amongst survey respondents for the refurbishment of the low rise blocks – 81% of respondents would rather have their blocks refurbished than redeveloped.
- A desire amongst low-rise Hawkstone respondents to remain as council tenants (100% of respondents indicated this in the September survey)
- A desire amongst low-rise Hawkstone respondents to remain in the Bermondsey and Rotherhithe area (84% of respondents indicated this in the September survey).

- Significant concerns amongst Hawkstone low-rise tenants and leaseholder respondents about the availability of suitable properties should relocation be required as part of a redevelopment option (76% of respondents indicated this in the September survey)
  - No substantial concerns amongst Hawkstone low-rise respondents about the levels of crime/antisocial behaviour or availability of local services such as GPs, community facilities and shops in the area.
  - A good level of satisfaction from low-rise residents who commented on the draft options with option two; opposition from low rise residents who commented on the draft options to options three, four and five and an even response to option one.
37. On the basis of the above, option one, warm, dry, safe, also scored well with its fit with resident priorities. Its low overall strategic fit ranking is accounted for by its limited focus in relation to the range of long-term council priorities that are assessed as part of the strategic fit scoring, against which the longer-term and broader ranging options scored better. Option five did not score well on its fit with resident aspirations as based on the results of the financial modelling that was undertaken, a viable redevelopment scheme would not be able to support reprovision of the number of homes, at their current bedroom mix and level of affordability, as currently exist across the Hawkstone low-rise blocks. This means that residents would most likely be required to move away from the estate, with no guarantee that they would be successful in bidding for properties within the immediate area.
38. Option five scored well on NPV, yielding the smallest negative return on investment. Option one, Warm, Dry, Safe, was the best of the other options on NPV, reflecting its rigorous focus on managing investment across the borough's housing stock as a first step towards the council's 30 year asset management strategy.
39. Option five was assessed as the riskiest option, which is reflective of the comparatively higher levels of uncertainty that surround redevelopment schemes that require residents to be rehoused. There are currently more than 800 residents with band-one (highest) priority active on Homesearch, making rehousing an uncertain process, particularly for residents who have indicated a strong preference to remain as council tenants. Option one scored an average score, with the majority of its risks being associated with its higher lifecycle costs.
40. In determining a preferred option to recommend to councillors for the Hawkstone low-rise blocks, the following was considered:
- The findings of the building surveys undertaken by MACE
  - That the Hawkstone estate was initially placed in the council's two year programme, the programme that was due for completion prior to the start of the current five year housing investment programme.
  - That the revision of anticipated costs for the refurbishment options (one and two) meant that refurbishment of the Hawkstone low-rise blocks could be resourced from within existing investment allocations.
  - The council's 30 year approach to asset management
  - The outcome of resident consultation to date
  - The outcome of the options appraisal modelling
41. Taking into consideration the factors listed above, option 2 (an enhanced

refurbishment option) has emerged as the preferred option for the Hawkstone low-rise blocks. Provision has been made within the Housing Investment Programme for the implementation of this option in financial year 2012/13.

42. Hawkstone low-rise tenants and leaseholders received information packs on 30 November 2011 informing them of the preferred option that would be recommended to cabinet. A copy of the material provided to residents, including a summary of the items included within the enhanced refurbishment option, appears at appendix one. The implications of the preferred option were set out and residents were asked to fill in a survey outlining their response to the preferred option and detailing whether it met their priorities and aspirations. High rise residents were written to on 1 December to inform them that the preferred option for the Hawkstone low-rise blocks would not involve any infill development or redevelopment on the estate.
43. In order to ensure that leaseholders were fully aware of the costs of option two, the scope of works identified for the preferred refurbishment standard was reviewed by officers from the council's home ownership service to arrive at outline estimates for leaseholder charges arising from the works. These costs were listed in the information packs referred to in paragraph 41 and were clearly labelled as budget estimates that could either increase or decrease once the cost of works was identified by the contractor carrying out the works. Leaseholders were informed that further consultation would be carried out before they were issued with a final charge.
44. The estimates provided to leaseholders were placed within a range that varied according to property size and block. The ranges are provided in table two below. The ranges for option one, warm, dry and safe, are provided for comparison and show that although the upfront capital cost for leaseholders will be higher under option two than under option one, in addition to receiving additional benefits in terms of heat and sound insulation under option two, the subsequent cost of cyclical maintenance over a 30 year period, assuming works occur every 10 years, is lower. The total cost to leaseholders over 30 years is therefore similar between options one and two.

**Table 2 – Costs to leaseholders**

| Block                 | Warm, Dry, Safe (for comparison) |                      |                       | Enhanced refurbishment |                      |                       |
|-----------------------|----------------------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|
|                       | Initial capital cost             | Lifecycle cost*      | Payment over 30 years | Initial capital cost   | Lifecycle cost*      | Payment over 30 years |
| Canute Gardens        | £20,600 -<br>£40,000             | £16,600 -<br>£26,600 | £37,200 -<br>£66,600  | £27,300 -<br>£43,700   | £10,700 -<br>£17,100 | £38,000 -<br>£60,800  |
| Rotherhith e Old Road | £25,500 -<br>£29,100             | £21,400-<br>£24,400  | £47,000-<br>£54,500   | £33,800 -<br>£39,000   | £13,400 -<br>£15,300 | £47,200 -<br>£54,300  |
| Jarman House          | £23,700 -<br>£31,500             | £19,900 -<br>£26,600 | £43,600 -<br>£57,100  | £31,000 -<br>£41,400   | £12,800 -<br>£17,100 | £43,800 -<br>£58,500  |

\* This is the total lifecycle cost over 30 years, making allowance for cyclical maintenance every 10 years, so leaseholders can expect to pay half of the amount listed in this column after 1 cycle in year 10 and the other half after cycle 2 in year 20.

45. Officers have been invited to a Hawkstone tenant and resident association meeting on 1 December 2011 to explain the preferred option to residents. An open Hawkstone RSG Meeting will also be held on Wednesday 7 December for low-rise residents. Finally, a drop in session for tenants and leaseholders of the Hawkstone low rise blocks has been scheduled for Thursday 8 December 2011.
46. As the results of this consultation will not be known until 8 December, its findings will therefore be submitted as a late appendix to this report.

### **Resident consultation**

47. Council officers approached the Hawkstone tenant and resident association (TRA) in June 2011 to form a resident steering group to work with through the options appraisal process. Officers were made aware of a pre-existing group of residents that had formed in response to the council's proposed major works to the low-rise blocks. Council officers worked with the Hawkstone RSG as a consultative body that fed back to the Hawkstone TRA throughout the options appraisal process, rather than constituting a formal subgroup of the TRA.
48. Hawkstone low-rise residents have been engaged throughout the options appraisal process via the following means:
  - Meetings with the Hawkstone RSG and circulation of minutes (once finalised) to all Hawkstone low-rise residents and Hawkstone high rise residents where discussion has touched on topics related to the high rise blocks.
  - Feedback from the Hawkstone RSG and council officers at Hawkstone TRA meetings
  - Open days where Hawkstone RSG members, council officers and technical advisors are available to answer queries
  - Provision of an independent resident advisor to answer any queries residents may have independently of the council.
49. As the council identified possible options that might include infill development, efforts were made to broaden the membership of the Hawkstone RSG to incorporate residents from the high rise blocks. A meeting for high-rise residents was held on 21 September 2011 where information was provided to residents of these blocks about the options appraisal process and nominations to the steering group were sought. Those in attendance at the event expressed concern that they would not feel comfortable in representing high rise residents without having been nominated at a better-attended meeting. It was expressed that insufficient notice of the meeting had been provided to residents. It was decided that nominations would be more appropriately sought at an open meeting for residents.
50. An open meeting was held on 5 October 2011 to find four volunteers from the high rise blocks (two from Brydale House, two from John Kennedy House) to sit on the Hawkstone RSG. The proposal from officers for four volunteers was to seek a balance to reflect the proportion of the two 2 block types on the estate against the fact that more radical solutions were being considered for the low rise blocks. In the event, no volunteers were forthcoming.

### **Policy implications**

51. Implementing the preferred option for the Hawkstone low-rise blocks by refurbishing them to an enhanced refurbishment standard will contribute towards meeting the council's housing policy target to ensure that all homes are warm, dry and safe and will be in keeping with the council's aspiration to develop a 30 year asset management plan.

### **Community impact statement**

52. Refurbishing these homes to an enhanced refurbishment standard will make these homes warm, dry and safe. Residents of these blocks will benefit from better noise and heat insulation as a result of the renewal of window frames, installation of double glazed windows and overcladding of their blocks. They will also indirectly benefit from reduced fuel bills over winter. The worst cases of internal disrepair to kitchen elements will also be addressed and all bathrooms will be replaced.
53. Leaseholders of the Hawkstone low-rise blocks will be financially affected by the refurbishment as outlined in table two, but will benefit from better noise and heat insulation as outlined at paragraph 52.

### **Resource implications**

54. The Hawkstone estate was initially identified as a high-cost estate in terms of meeting the warm, dry, safe standard because of indications that significant asbestos-related works and precautions would be needed. However, recent surveys have indicated that refurbishment can be carried out without these extra costs. The recent option appraisal took account of these recent surveys and focussed on five options ranging from standard warm, dry, safe works to full demolition.
55. Option 2, enhanced refurbishment, is the recommended option, taking into account net present value of cash flows, strategic fit and risk (see table 1 within this report). The cost implication of this option is £4.7 million capital, to be met from housing investment programme provision for the whole estate. It should be noted that other options have better net present value but lower overall ratings. Option 1, warm, dry, safe works, would have higher secondary future replacement costs and only partly meets tenant aspirations. Option 5, full redevelopment, would add to the council's rehousing pressures and has delay and land value risk.

### **Investment implications (inv/ii2574/1Dec11/rjb)**

56. The 5-year housing investment programme approved by cabinet on 18 October 2011 includes indicative funding for the refurbishment of the Hawkstone Estate. The costs of the enhanced refurbishment standard currently estimated at £4.7m can be met from this provision.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Home Ownership**

57. 26 of the 117 properties are owned on a leasehold basis with varying distribution

over the three affected blocks.

58. The head of home ownership notes and approves the preferred option 2 as presented by this report. Exercising this option should provide the most balanced result.
59. Options 1 to 4 all include items of repair and renewal to the structure, common areas and communal services of the blocks and estate. These are rechargeable to leaseholders under the terms of their leases. Leaseholders will not be recharged for works carried out inside tenanted properties.
60. Option 1 does not have the intended longevity of all the other options and is likely to result in additional works becoming necessary sooner in comparison to other options. As well as causing further disruption to residents, this could also result in a higher cost overall when compared to option 2 which would be particularly unpopular with leaseholders.
61. Should options 3 or 4 be exercised, the head of home ownership who manages the council's portfolio of garages would need to consider the surplus declaration. There are currently 80 garages on the estate, 56 of which are rented. The current income per annum from the rented garages is £53,464.32. While the potential annual income from all garages on the estate is £76,377.60. The potential loss of revenue to the council must be considered if either of these options is to be exercised.
62. Option 4 would require the repurchase of the six leasehold properties at Rotherhithe Old Road and option 5, the repurchase of all 26. Gaining vacant possession of leasehold properties through negotiation or by use of the council's compulsory purchase powers will not be an easy or quick process, especially since it has been ascertained that residents are unsupportive of these options. They would naturally require significant available capital. Leaseholders financially unable to afford to move to a suitable property would likely be offered the same rehousing assistance opportunities as agreed for other estates subject to redevelopment. This will have housing supply and interdepartmental resourcing implications.
63. Although option 2 is not the most expensive one, the service charge will still be significant with initial rechargeable costs estimated to range between £27k and £41k depending on the size of the property. A case recently heard at the Lands Tribunal Upper Chamber (*Garside & others v RYFC Ltd and others* [2011] UKUT 367) considered that the LVT should, in determining whether costs have been reasonably incurred, take account of the financial impact on leaseholders and whether major works should be phased to mitigate this. Here, the costs were in the region of £7.6k per property. It is recommended that a statement is made as to why phasing is considered to be inappropriate and which lays out the payment plans offered by the council which have the same effect of spreading the cost over time but with less physical disruption. The estimated service charges outlined here are based on budget estimates only, and could vary considerably once further surveys have been carried out and specifications written and priced.
64. The calculated estimates do not include any allocation for rectifying any necessary damage caused to a leaseholder's fixtures or fittings during the course of the works. The council would have an obligation to make good any such damage but would pass on the cost of doing so to the leaseholder.



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

65. Under Section 105 of the Housing Act 1985, the council is required to consult with its tenants on matters of housing management that it considers is likely to substantially affect secure tenants as a whole or a group of them. This includes maintenance, improvement or demolition of dwellings that represents a new programme of maintenance, improvement or demolition or a change in the practice or policy of the council. Similarly affected council long leaseholders are likely to have an expectation that they will also be consulted on such matters.
66. The recommendation in this report that cabinet approves the implementation of the preferred option of enhanced refurbishment of the low rise blocks at Hawkstone engages legal requirements to consult with affected residents. To meet legal requirements consultation must be undertaken when the proposals are still at a formative stage, include sufficient reasons for the proposals to allow any interested party the opportunity to consider the proposal and formulate a response and allow adequate time for interested parties to consider the proposal and formulate their response. Those responsible for taking decisions on proposals should take into account the product of consultation when making decisions on the matters concerned.
67. In May 2011 cabinet agreed that option appraisal work be carried out for the low rise blocks on the Hawkstone estate in consultation with residents; to include the facilitation of residents' project groups with independents expert support.
68. The report details consultation with residents that has taken place. The outcome of consultation is set out in the report; it is indicated that the results of ongoing consultation will be made available for members to consider at the meeting. Members should give careful consideration to the consultation responses when taking a decision on the recommendation in this report.

### **Finance Director**

69. This report recommends that the cabinet approves that work continues to implement the preferred option of enhanced refurbishment as set out in the body of this report and notes the findings of the Hawkstone low-rise options appraisal.
70. The finance director notes the confirmation in paragraph 56 that the costs of the recommended option can be met from the capital budget for the Hawkstone Estate contained within the approved housing investment programme. Paragraph 55 explains the risks and issues surrounding other options with a better net present value.

### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b> | <b>Held At</b> | <b>Contact</b> |
|--------------------------|----------------|----------------|
| None                     |                |                |

**APPENDICES**

| <b>No.</b> | <b>Title</b>                       |
|------------|------------------------------------|
| Appendix 1 | Information pack sent to residents |

**AUDIT TRAIL**

|  |   |                          |
|--|---|--------------------------|
| <b>Cabinet Member</b>  | Councillors Fiona Colley, Regeneration and Corporate Strategy and Ian Wingfield, Deputy Leader and Housing Management |                          |
| <b>Lead Officer</b>  | Maurice Soden, Regeneration Initiatives Manager   |                          |
| <b>Report Author</b>   | Jennifer Daothong, Project Officer (Estate Regeneration)  |                          |
| <b>Version</b>   | Final   |                          |
| <b>Dated</b>   | 2 December 2011   |                          |
| <b>Key Decision?</b>   | Yes   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBERS</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 Home Ownership   | Yes   | Yes                      |
| <b>Cabinet Members</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                     | 2 December 2011   |                          |

**To residents of:**  
1-51 Canute Gardens,  
1-32 Jarman House,  
and 22-88 Old Rotherhithe Road

**Estate Regeneration Team**  
**Direct dial: 020 7525 1231**

30 November 2011

Dear Resident,

### **Hawkstone low-rise options appraisal outcome: preferred option consultation**

As you will know, we have been comparing the different options for the future of the Hawkstone low-rise blocks. We have now completed our analysis and have chosen a preferred option that we will be recommending to Cabinet. The preferred option that we will be recommending to Cabinet on 13<sup>th</sup> December 2011 is option 2: the enhanced refurbishment option. Enclosed in this pack is an information sheet summarising the works that we have included in our specification for the preferred option. Please read this sheet carefully.

Enhanced refurbishment has been chosen as the preferred refurbishment option as, overall, it offers the best overall fit with the Council's strategic priorities, is manageable within the Council's financial resources and does not pose any unmanageable risks to residents or the Council. A key consideration in reaching this conclusion is that refurbishment works can be safely carried out without needing to move residents out of their homes for long periods.

### **Information for leaseholders**

On the back of the information sheet summarising the works that we have included within the specification for an enhanced refurbishment option are our budget estimates of the cost of this option to leaseholders. Please read this sheet carefully. Leaseholders should note that this is a budget estimate only, intended to give an estimate of the likely cost implications of enhanced refurbishment. This estimate is subject to change (either up or down). Prior to refurbishment works commencing, our contractors will need to issue us with final costs for works, which will then be consulted on with you. Please refer to the information sheet for further detail. Also enclosed is a leaflet that describes leaseholder payment options offered by Southwark for major works. This leaflet is enclosed for your consideration only, we are not asking you to pay anything at this point.

### **Preferred option consultation survey**

Enclosed within this pack is a preferred option consultation survey. The purpose of this survey is for us to understand resident opinion of the preferred option, and its implications, so that when Cabinet makes its decision on 13 December, Cabinet members are fully aware of what residents think of the preferred option. It is important that you complete this survey and return it to us in the freepost envelope enclosed by 8<sup>th</sup> December 2011. You can also hand in your survey to a Council officer at the preferred option drop-in session on Thursday 8<sup>th</sup> December.



### **Hawkstone low-rise RSG meeting, Wednesday 7<sup>th</sup> December**

We will be discussing the preferred option put forward in the Cabinet report with the Hawkstone low-rise Resident Steering Group (RSG) on 7<sup>th</sup> December. Hawkstone low-rise residents who would like to attend the meeting are welcome to come along. The meeting will start at 7pm and finish at 8.30pm and will be held at the Tissington Court TRA Hall, located at the base of Tissington Court, next to the surgery.

### **Preferred option consultation drop in session, Thursday 8<sup>th</sup> December**

We will be holding a preferred option drop-in session on Thursday 8<sup>th</sup> December between 4.30pm and 7.30pm at the Red Lions Boys Club at the top of Hawkstone Road. This will be an opportunity for you to come in and talk to Council officers about the preferred option before filling in your survey. You will also be able to hand in your survey on the evening. Jill Hasler, your independent resident advisor, will be there to answer any queries you might have.

### **Next Steps**

We will be recommending option 2 – refurbishment of all Hawkstone low-rise blocks to an enhanced refurbishment standard - to Cabinet on 13<sup>th</sup> December 2011 and asking for permission to put the Hawkstone low-rise blocks into the Housing Investment Programme for the financial year 2012/13 (the financial year runs from April to March).

We will write to you again to inform you of the outcome of the Cabinet decision.

If Cabinet agrees the recommendations put forward by officers, then our Major Works team will start the process of engaging contractors in order to have works carried out. Please note that this will involve further consultation with residents over the detail of the specification and with leaseholders prior to any works being carried out.

Should you require further information about any of the information contained within this pack, you can contact myself on 0207 525 1231 or at [jennifer.daothong@southwark.gov.uk](mailto:jennifer.daothong@southwark.gov.uk) or Jill Hasler, your independent resident advisor on the freephone number 0800 073 1051.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Daothong".

Jennifer Daothong  
**Project Officer**  
 Estate Regeneration Team

**The works proposed in the Enhanced refurbishment standard are:**

- External works including:
- Works to repair the concrete and brickwork on the low-rise blocks
  - Works to repair and renew the roofs
  - Replacement of windows with double glazed UPVC windows with repairs to the frames of windows and over-cladding of the panels below windows
  - Renewal of existing front entrance doors with fire resistant doors
- Works to communal areas including:
- Repairs to doors and windows in communal areas and staircases
  - Repairs to handrails and floors in communal areas
  - Repairs to intake rooms/ refuse cupboards
  - Redecoration of existing decorated surfaces to include fire resistant coating
- Works to areas directly external to the block including:
- Repairs to garden walls
  - Testing and repairs to underground drainage
  - Repairs to landlord lighting
  - Works to garages
- Internal works (these works will not be carried out to leasehold properties)
- Kitchen renewal only to those kitchens that are assessed as 20 years old and beyond their reasonable life
  - Full bathroom renewal
  - Renewal of electrics and heating installations



Artist's impression only

**Next steps**

We will report the preferred option to Cabinet on 13 December alongside the findings of this consultation (the preferred option consultation).

Your blocks will be programmed into the Council's Housing Investment Programme for works in financial year 2012/13 (the financial year runs from April to March)

The Council's Major Works team will manage the implementation of the enhanced refurbishment standard and will be in touch with you in due course to confirm the final list of works and to consult with both Council tenants and leaseholders before proceeding with refurbishment.

**PREFERRED OPTION INFORMATION SHEET**  
**Option 2:**  
**Enhanced refurbishment – information for leaseholders**

As part of the options appraisal process, we have costed the list of works for this option, including those works identified on the other side of this page (excluding works internal to your property). These are budget estimates only and should not be treated as final. Once further surveys have been done and specifications drawn up the charges may well vary considerably – they could go either up or down.

Before any refurbishment work starts on the Hawkstone low-rise blocks the Council will be carrying out section 20 consultation with you. You will be issued with a notice based on the final specification of works which will include an estimated service charge based on the prices received from the contractor.

Based on budget estimates we have estimated the costs to leaseholders of the enhanced refurbishment option over 30 years. This is shown in the table below. Column 3 shows what we think the cost of work will be for leaseholders for this round of works. We have also estimated what the costs of maintaining this refurbishment standard over 30 years will be, assuming that major works are done to the low-rise blocks every 10 years. Column 6 shows you what we estimate the total cost to be over 30 years.

| <b>Preferred Option: Enhanced refurbishment (Budget estimate costs only NOT FINAL)</b> |                  |                         |   |   |                       |
|--|------------------|-------------------------|---|---|-----------------------|
| 1. Block   | 2. Property size | 3. Initial capital cost | 4. Maintenance cycle 1 (projected after 10 years) | 5. Maintenance cycle 2 (projected after 20 years) | 6. Cost over 30 years |
| Canute Gardens   | 2 bed            | £27,300                 | £5,350  | £5,350  | £38,000               |
|  | 4 bed            | £43,700                 | £8,550  | £8,550  | £60,800               |
| Rotherhithe Old Road   | 2 bed            | £33,800                 | £6,700  | £6,700  | £47,200               |
|  | 4 bed            | £39,000                 | £7,650  | £7,650  | £54,300               |
| Jarman House   | 2 bed            | £31,000                 | £6,400  | £6,400  | £43,800               |
|  | 4 bed            | £41,400                 | £8,550  | £8,550  | £58,500               |

**Notes**

The cost that you will be consulted on as part of section 20 consultation will be the cost identified in column 3 – Initial capital cost. Please note that this is a budget estimate only. The initial capital cost will be updated once further surveys have been done, specifications drawn up and prices for works have been received from the contractor.

The costs identified in columns 4 and 5 are costs that we have modelled in order to understand what the long term implications of the preferred option might be.

## THE PREFERRED OPTION SURVEY



The Council's Cabinet will be deciding on which works will take place to the Hawkstone low rise blocks on 13<sup>th</sup> December 2011. We will be recommending that the Hawkstone low-rise blocks are refurbished to an enhanced refurbishment standard (option 2). We want to know what you think of the preferred option. Please fill in the survey below and return it to us by **Thursday 8<sup>th</sup> December 2011 – details on how to return the survey are provided on page 3.** If you would like independent advice or help with filling in this survey, please contact your Independent Resident Advisor, Jill Hasler on the freephone number **0800 073 1051**. If you require this information in your language please contact **0207 525 5000**.

### Section A: First, we'd like some information about you:

1. Which block do you live in? (please write below)

2. Are you a (please tick one):

Secure tenant

Leaseholder

Temporary occupier/ sub-tenant)

### Section B: The preferred option – Enhanced refurbishment

Officers will be recommending to Cabinet that all the Hawkstone Low-Rise blocks are refurbished to an enhanced refurbishment standard. Please refer to the information sheet included in your preferred option pack for a summary list of the works that we will be proposing to include.

1 **Following are the implications of the preferred option. Are they acceptable or unacceptable to you?**

- A Kitchens will only be replaced where they are assessed as 20 years old and beyond their reasonable life (this does not apply to leaseholders)
- B Works to your block will be programmed into the Housing Investment Programme for works in Financial Year 2012/13 (the financial year runs from April to March)
- C Where it is advised as necessary for safety reasons, residents may be required to vacate their home for periods of up to 5 hours. Respite facilities will be provided for residents.
- D Refurbishment to the Enhanced Standard means that over the next 30 years, repair needs will be reduced.

Acceptable      Not Acceptable

|  |  |
|--|--|
|  |  |
|  |  |
|  |  |
|  |  |

### Section C: Your views of the preferred option/options

1 Are you happy with the choice of option 2 (enhanced refurbishment of all low-rise blocks) as the preferred option? (please tick one)

Yes

No

2 Does this option include the works to your home that are most important to you? (please tick one)

Yes

No

3 If you answered 'No' to questions 1 or 2, please tell us why (please write below)

### Section D: Your priorities

1 Which of the following 3 items in the list below are most important to you? **Please tick only 3** of the boxes below

- |   |                          |  |
|---|--------------------------|--|
| a | <input type="checkbox"/> | Improving the condition and appearance of the low-rise blocks and their common parts   |
| b | <input type="checkbox"/> | Improving the condition and appearance of the areas immediately external to the low rise blocks eg) repairing the communal refuse cupboards and communal stairwells. |
| c | <input type="checkbox"/> | Environmental enhancements to the estate to improve the quality of the green spaces and areas between blocks   |
| d | <input type="checkbox"/> | Not losing existing green space and/or garages to new development  |
| e | <input type="checkbox"/> | Having a solution that is affordable to me   |
| f | <input type="checkbox"/> | Not having new development overlook or overshadow my home  |
| g | <input type="checkbox"/> | Having the works done to my home that are most important to me   |
| h | <input type="checkbox"/> | Other (if there are other priorities more important than those listed above, please tick this box and write them in the box below)                                   |

2 **If you ticked the 'other' box above, please tell us what your other priority is by writing it in this box.**

### Section C: Your comments

Please use the space below to provide any additional comments you may have. Please attach additional pages if you need to.



**HAWKSTONE LOW RISE OPTIONS APPRAISAL 2011****Section D: Monitoring**

We want to make sure we deliver services fairly regardless ethnicity, disability, gender, sexual orientation, age, or faith. All information will be treated confidentially. It will not be used for any purposes other than monitoring and to measure the priorities of different groups. This information will not be shared with anyone else in a way that you could be personally identified, without your written consent. This part of the questionnaire is optional.

**1 Age**

- |                                |  |
|--------------------------------|--|
| <input type="checkbox"/> 16-24 | <input type="checkbox"/> 25-34             |
| <input type="checkbox"/> 35-44 | <input type="checkbox"/> 45-54             |
| <input type="checkbox"/> 55-59 | <input type="checkbox"/> 60-64             |
| <input type="checkbox"/> 65-74 | <input type="checkbox"/> 75-84             |
| <input type="checkbox"/> 85+   | <input type="checkbox"/> Prefer not to say |

**2 Gender**

- |  |                                |
|--|--------------------------------|
| <input type="checkbox"/> Female            | <input type="checkbox"/> Male  |
| <input type="checkbox"/> Transgender       | <input type="checkbox"/> Other |
| <input type="checkbox"/> Prefer not to say |                                |

**3 Disability**

Does anyone in your household have any long-term illness, health problems or disability, which limits their daily activities or the work you can do, including any problems that are due to old age?

- |  |                             |
|--|-----------------------------|
| <input type="checkbox"/> Yes               | <input type="checkbox"/> No |
| <input type="checkbox"/> Prefer not to say |                             |

**4 Sexual orientation**

- |                                       |  |
|---------------------------------------|--|
| <input type="checkbox"/> Bisexual     | <input type="checkbox"/> Lesbian           |
| <input type="checkbox"/> Gay man      | <input type="checkbox"/> Other             |
| <input type="checkbox"/> Heterosexual | <input type="checkbox"/> Prefer not to say |

**5 Religion/beliefs**

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Agnostic  | <input type="checkbox"/> Jewish            |
| <input type="checkbox"/> Atheist   | <input type="checkbox"/> Muslim            |
| <input type="checkbox"/> Buddhist  | <input type="checkbox"/> Sikh              |
| <input type="checkbox"/> Christian | <input type="checkbox"/> Other             |
| <input type="checkbox"/> Hindu     | <input type="checkbox"/> Prefer not to say |

**6 Ethnicity****White**

- |   |
|---|
| <input type="checkbox"/> White British                |
| <input type="checkbox"/> White Irish                  |
| <input type="checkbox"/> Gypsy/Romany/Irish Traveller |
| <input type="checkbox"/> Any other white background   |

**Mixed**

- |   |
|---|
| <input type="checkbox"/> White and Black Caribbean  |
| <input type="checkbox"/> White and Black African    |
| <input type="checkbox"/> White and Asian            |
| <input type="checkbox"/> Any other mixed background |

**Asian or Asian British**

- |   |
|---|
| <input type="checkbox"/> Indian                     |
| <input type="checkbox"/> Pakistani                  |
| <input type="checkbox"/> Bangladeshi                |
| <input type="checkbox"/> Any other Asian background |

**Black or Black British**

- |   |
|---|
| <input type="checkbox"/> Caribbean                  |
| <input type="checkbox"/> African                    |
| <input type="checkbox"/> Any other Black background |

**Chinese**

- |   |
|---|
| <input type="checkbox"/> Chinese                      |
| <input type="checkbox"/> Any other Chinese background |

**Other ethnic group**

- |   |
|---|
| <input type="checkbox"/> Any other ethnic group |
|---|

**Prefer not to say**

- |  |
|--|
| <input type="checkbox"/> Prefer not to say |
|--|

**Thank you for completing this survey**

**Please return this survey to us by Thursday 8 December. You can do this by:**

- Enclosing it in the FREEPOST envelope included in this pack
- Posting it to Hawkstone survey, Estate Regeneration Team, FREEPOST RSCE-TGHU\_CUZZB, Southwark 160 Tooley Street, 5<sup>th</sup> Floor-HUB 3, London SE1 2QH
- Emailing it to [estateregen@southwark.gov.uk](mailto:estateregen@southwark.gov.uk)
- Handing it in at the drop in session on Thursday 8 December, 4.30-7.30pm at the Red Lions Boys Club at the top of Hawkstone Road.

## Payment options 2011

Southwark leaseholders and freeholders

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

### How to pay a major works bill

You may make payment of the major works bill by any of the following methods:

- By setting up a standing order with your bank
- By telephoning the 24 hour automated credit and debit card line 0845 6000 611 Please choose option six and quote your payment reference number
- At one of the council's cash offices
- By sending a cheque to cashiers, PO Box 11767, SE16 3ZF
- By sending a cheque to the home ownership, 376 Walworth Road London SE17 2NG
- Online on the council's web site [www.southwark.gov.uk/onlinepayments](http://www.southwark.gov.uk/onlinepayments)

We recognise that major works bills can be substantial, and so we have a number of payment plans.

You may pay over 12 equal monthly instalments using the standing order form enclosed with this letter. No interest will be charged. If you wish to pay over a longer period, still interest free, you may pay over a maximum of 36 equal monthly instalments. However, you must start paying immediately, and if you fail to make a payment the entire outstanding amount will become due, and interest will be added until the balance of the invoice is paid. This option is not available to leaseholders who sublet their properties.

In exceptional circumstances, resident leaseholders may apply for an extension of the 36 months interest free period to 48 months.

The interest charged is stated in the terms of the lease (usually 5% above the base rate of the NatWest bank). You may negotiate a longer repayment period, up to ten years, but interest will be charged on the

outstanding balance. This is an unsecured debt and the interest is stated in the terms of your lease. You may apply to us for a service charge loan.

This is effectively a mortgage on the property and can be repaid over up to 25 years. Interest will be charged, but the rate is lower than for the unsecured debt option. We do charge an arrangement fee (£498 as of April 2011) to cover our legal, valuation and administrative costs, but this can be included in the loan. You may, of course, also approach your existing lender, or any other finance company, for a loan.

If you cannot afford any of the options listed above, we may consider allowing you to secure the debt through a voluntary charge on your home. This means that you do not have to make any payments and the debt, including interest, will be repaid when your home is sold.

Over the past few years we have been lobbying the government for powers to provide more ways to help you pay major works service charges. We can now offset major works service charges by taking an equity share in your property, either by way of a surrender of the right to buy lease and re-grant of a shared ownership lease (Equity share scheme under s309), or by way of legal charge (Equity loan scheme under s308).

In both cases we need to do a valuation of the property to see what the works cost as a percentage of the value.

For more information, please contact us directly. We are making every effort to help you with major works service charges.

**This leaflet contains information about Southwark Council services. If you require information in your language, please call 020 7525 5000**

### **Spanish**

Este folleto contiene información sobre los servicios prestados por el ayuntamiento de Southwark. Si necesitara alguna información en su propio idioma, por favor llame al 020 7525 5000

### **French**

Ce dépliant contient des renseignements sur les services de Southwark Council (municipalité de Southwark). Si vous avez besoin d'obtenir ces renseignements dans votre langue, veuillez appeler le : 020 7525 5000

### **Turkish**

Bu broşür Southwark Belediyesi'nin servisleri ile ilgili bilgi içerir. Eğer kendi dilinizde bilgi edinmek isterseniz, lütfen 020 7525 5000 numaralı telefonu arayınız

### **Vietnamese**

Tờ rơi này cung cấp thông tin về các dịch vụ của hội đồng quận Southwark. Nếu quý vị muốn có bản dịch sang ngôn ngữ mình nói, xin vui lòng gọi số: 020 7525 5000

### **Somali**

Warqaddaan yar waxaa ku qoran macluumaad ku saabsan adeegyada Guddiga Dowladda Hoose ee Southwark. Haddii aad u baahan tahay macluumaad ku qoran luqaddaada, fadlan wac lambarka 020 7525 5000

### **Arabic**

يحتوي هذا المنشور على معلومات عن الخدمات التي تقدمها بلدية سوزرك (Southwark). إذا كنت ترغب في الحصول على معلومات بلغتك الأصلية الرجاء الإتصال بالرقم المبين هنا: 020 7525 5000

### **Bengali**

এই লিফলেটটিতে সাদার্ক কাউন্সিলের পরিষেবাসমূহের তথ্য দেওয়া আছে। আপনার যদি নিজের ভাষায় তথ্যের প্রয়োজন হয়, তাহলে যে টেলিফোন নম্বর দেওয়া আছে তাতে টেলিফোন করুন।”

টেলিফোন নম্বর: 020 7525 5000

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>8.              | <b>Classification:</b><br>Open | <b>Date:</b><br>13 December 2011   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Fire Safety Works at Canada Estate – report of Housing & Community Safety Scrutiny Sub-Committee |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All  |                                 |
| <b>From:</b>                       |                                | Housing & Community Safety Scrutiny Sub-Committee  |                                 |

## RECOMMENDATION

1. That the cabinet notes the recommendations of the review of fire safety works at Canada Estate undertaken by the housing & community safety scrutiny sub-committee (attached as appendix 1 to this report), and asks Councillor Ian Wingfield as lead cabinet member, to bring back a report to cabinet, in order to respond to the overview and scrutiny committee, by 13 February 2012.

## BACKGROUND INFORMATION

2. The housing & community safety scrutiny sub-committee decided to conduct a review into fire safety works at Canada Estate in February 2011. The initial focus was on:
  - the award of the contract
  - the quality of the work
  - the cost of the work
  - the current state of the work
  - communication between the council and the contractor as the works progressed
  - communication between the council and residents of the estate about any reported problems with the works
3. The sub-committee chose this subject after residents and leaseholders brought concerns about the works at Canada Estate to the attention of the chair.
4. The sub-committee took evidence from officers and residents and leaseholders.

**BACKGROUND DOCUMENTS**

| <b>Background Papers</b>   | <b>Held At</b>                                       | <b>Contact</b>  |
|--|--|---|
| Housing & Community Safety Scrutiny Sub-committee – Agenda and minutes | Scrutiny Team<br>160 Tooley Street<br>London SE1 2QH | Peter Roberts<br>Scrutiny project manager<br>Tel: 020 7525 4350 |

**APPENDICES**

| <b>No.</b> | <b>Title</b>   |
|------------|--|
| Appendix 1 | Fire Safety Works at Canada Estate – report of Housing & Community Safety Scrutiny Sub-Committee |

**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>  | 1 December 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>                    | 1 December 2011                            |                          |

# HOUSING AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE

Fire Safety Works at Canada Estate  
Scrutiny Report and Recommendations

November 2011



## **1. Background to and purpose of the review**

- 1.1 Columbia Point and Regina Point are two blocks of council flats on the Canada Estate. The flats house a combination of council tenants and leaseholders.
- 1.2 As a result of a fire safety assessment in October 2009 some substantial remedial works were identified. A major works procurement process was begun to identify suitable contractors to undertake this work.
- 1.3 Before a contractor was identified or any work commenced, two fire safety notices were issued to the council relating to Columbia Point and Regina Point with a deadline of 17 August 2010 by which work had to be completed to avoid legal action.
- 1.4 The purpose of the scrutiny review was to
  - establish what happened next, which led residents of the estate to request a scrutiny review into the works which were still not completed in February 2011 when this scrutiny began
  - make some recommendations for change

## **2. How the evidence was collected**

- 2.1 In January 2011, concerns around works at Canada Estate were brought to the attention of the chair of the housing and community safety scrutiny sub-committee in an e-mail which outlined events from a resident/leaseholder perspective.
- 2.2 On 8 February 2011 a meeting was held between the chair and vice-chair of the sub-committee and Michael Robertson, a leaseholder resident from the Canada Estate, to clarify the main issues and concerns.
- 2.3 A report was commissioned from council officers, including
  1. The process followed in order to award the work to the contractor
  2. An assessment of the quality of the work so far
  3. Details of the cost of the work
  4. An update on the current state of the work
  5. Details of communications between Southwark and the contractor as the works progressed
  6. Details of communications between Southwark and residents of the estate about any reported problems with the works
- 2.4 A verbal evidence session was held at a meeting of the housing and community safety scrutiny sub-committee on Tuesday 2 July 2011, where the issues were discussed. Staff from the housing department and representatives from the Canada Estate attended this discussion.

- 2.5 Council staff members who gave evidence at this session were: Gerri Scott, strategic director of housing; David Lewis, head of asset management and investment planning; Tony Hunter, health and safety manager; and Louise Turff, service charge construction manager.

### **3 Sequence of events**

- 3.1 In the aftermath of the fatal fire in the Lakanal housing block in July 2009, the council undertook to carry out fire safety reviews of all residential blocks over seven stories high.
- 3.2 A fire risk assessment of Columbia Point on the Canada Estate was carried out in September/October 2009 by the consultants Turner Townsend, which identified some necessary remedial work.
- 3.3 As a result of the fire risk assessment, the process of procuring major works began, including serving Section 20 (S20) notices, giving notice of the intention to undertake major works, on the leaseholders of both Columbia Point and Regina Point December 2009.
- 3.4 On 22 February 2010, London Fire and Emergency Planning Authority (LFEPA) served two notices of fire safety work necessary at both Columbia Point and Regina Point. These notices included a requirement that the works should be undertaken by 17 August 2010.
- 3.5 The fire safety notification brought new urgency to the work required on the estate which meant that the usual procurement procedures would have taken too long. As Standage already operated for the council as “voids” contractors it was legally permissible to appoint them to do this work. This resulted in the appointment of contractors Standage to undertake the work on 17 May 2010 without consultation with residents over who would undertake the work.
- 3.6 The essential work identified by LFEPA was completed by the deadline. LFEPA inspected the blocks on 16 August 2010 and confirmed their satisfaction in writing on 8 September 2010.
- 3.7 There were other associated works taking place on the estate which were not completed in this timescale, and at the time of a joint inspection on 7 January 2011, a number of issues were identified which still needed to be resolved.
- 3.8 A further joint inspection took place on 17 May 2011 at which it was confirmed that the outstanding issues had been resolved and the work was considered complete.



## 4 What went wrong?

### Procurement process

- 4.1 Following the receipt of the Turner Townsend fire safety report, the council's housing department started to make arrangements for the repairs work to be done, including starting the process of procuring an appropriate contractor to undertake the work and issuing S20 notices to leaseholders.
- 4.2 When the need to complete the work became urgent and the council had a short deadline to complete the fire safety works it was not possible to complete the usual procurement process.
- 4.3 As a matter of expediency the contractors Standage who already held a "voids" contract with the council were contracted to do the work. This arrangement superseded the S20 consultation and appointment process, but the council failed to explain and communicate the new arrangements to residents.
- 4.4 Effective communication with leaseholders was not prioritised as it should have been. Instead, the minimum necessary communication to meet statutory requirements was undertaken.

### Urgent work rather than planned and quality controlled repairs and maintenance

- 4.5 The work at Canada Estate had to be undertaken urgently to comply with fire safety standards. Before the council's fire safety assessment was undertaken there were no immediate plans for planned maintenance and repairs work.

As identified in the Turner Townsend report:

"Several of the issues identified in this report are the result of poor workmanship or a failure to hold contractors to specification. By introducing tighter controls on contractors in respect of fire, it would be possible to address some of these key issues without having to spend large amounts of money." (Turner Townsend report).

- 4.6 If the council had undertaken planned and effectively quality controlled work at the estate over a period of years, the urgent works may not have been necessary.

### Quality of work

- 4.7 Standage contractors completed the necessary fire safety works within the set timescale but there were concerns over the quality of the work.
- 4.8 This raises queries over the contract monitoring processes and also calls into question whether Standage were the most appropriate contractor to undertake the work.
- 4.9 The quality of other associated works was also poor, leading to a very drawn out process with works only completed to the required standard in May 2011.

During this process some seventy-two complaints were made to the tenants and residents association who were acting as a conduit for complaints.

### **Contract management**

- 4.10 The council followed its usual arrangements for contract management including monthly meetings between the contractor and the council.
- 4.11 These arrangements did nominally include local residents but the meetings were not held at times when it was possible for them to attend. This was a mistake and more effort should have been made to accommodate resident representatives.
- 4.12 The contract management that was in place was clearly not effective enough.

### **Communication and consultation with residents**

- 4.13 Once the fire safety works were taken out of the S20 process there was a lack of effective proactive communication with residents.
- 4.14 This was confirmed in the evidence given by the strategic director of housing.
- 4.15 In addition to meeting the fire safety standards, there was a further variation to the contract to install suitable venting. This was not communicated to or discussed with residents.
- 4.16 This led to a situation where leaseholders were not fully aware of why they were being charged so much for the work and why the S20 process was started but aborted.
- 4.17 Tenants representatives pointed out during the scrutiny process that the costs of works being carried out on the estate were only shared with leaseholders. As the cost of major works comes from the housing revenue account (HRA), the sub-committee sees no reason why the same information about costs shared with leaseholders should not also be shared with tenants.

## **5. Conclusions and recommendations**

- 5.1 There were clearly some exceptional and unusual circumstances around the fire safety works at the Canada Estate. However the scrutiny process has revealed a number of issues around major works procurement and management which could also apply to all future repairs works of the council.
- 5.2 To improve the way major works contracting is handled in the future, the housing and community safety sub-committee makes the following recommendations.
  - 1. A process/procedure understood by officers and contractors should be developed and followed which enables residents (both tenants and leaseholders) to be kept informed of and consulted effectively in the major works procurement. This should include but not be limited by the legal Section 20 requirements.
  - 2. The sub-committee has found evidence of poor communications with residents. As part of the project management process for all major works

in the future there should be a clearly understood procedure for communication with residents before and during works of this nature. These arrangements should not rely upon casual discovery of information from contractors or contract managers.

3. Where there are changes to expected works during the delivery phase the cabinet member should take steps to ensure that these are communicated to affected residents in a sensitive and timely fashion.
4. Stringent contract management arrangements should be put in place for the future, including detailed delivery timetables and quality expectations. The pro-active management of these contracts must be more rigorously pursued. Penalties should be introduced for contractors who fail to meet these more stringent requirements.
5. The breakdown of costs on major works is currently only shared with leaseholders. As the cost of major works comes from the Housing Revenue Account, the sub-committee recommends that the same information on costs shared with leaseholders should also be shared with tenants.

|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>9.              | <b>Classification:</b><br>Open | <b>Date:</b><br>13 December 2011                    | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Establishment of a Housing Commission for Southwark |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All   |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Peter John, Leader of the Council        |                                 |

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

Over the next five years we will be investing £326 million in Southwark’s housing stock in order to make every home warm, dry and safe. However, despite this massive investment – equivalent to over £1,000 for every man, woman and child who lives in our borough – there will be a continuing and pressing need for further investment in our properties, as some buildings reach the end of their lifespan and others continue to require significant capital investment.

Our current programme of investment is only possible with the use of the proceeds of sale of other land and assets belonging to the Council in excess of £100 million. Whilst we have decided to make this level of investment in our housing at this time, it is unrealistic to believe that we can continue to do this indefinitely, not least because we will quickly exhaust the other assets available for sale.

At the same time we face an unprecedented demand for affordable social housing in Southwark, with our waiting list now exceeding 19,000.

So it is vital that we carefully consider how we can respond to the twin challenges we face – of ensuring that we have a robust business plan which demonstrates that our housing can be high quality and self-financing into the future, whilst exploring ways in which we can increase the supply of affordable council housing stock available for rent.

To undertake this task we are proposing to establish a housing commission – which will be wholly independent of the Council and empowered to manage and direct their own work, in order to present findings and recommendations to the Cabinet in October 2012. That independence is important, so that the Commission can consider all options and possibilities for maintaining and improving Southwark’s housing stock.

The Commission will invite and hear evidence from all key stakeholders, tenants, leaseholders, residents, housing associations, and all those who are involved and interested in providing housing across the borough.

The issues and challenges which we face in Southwark are not unique, and I hope that the work of the Commission will provide guidance for other authorities facing similar issues.

I am delighted that Jan Luba QC has agreed to chair the Commission. I am confident

that together the Commission will be able to help us set a direction of travel which will inform our housing policy for the next 30 years.

## **RECOMMENDATIONS**

1. That the establishment of an independent Housing Commission for Southwark, entitled "London Borough of Southwark Independent Commission on the Future of Council Housing", be approved.
2. Note that the Commission will formally commence work in January 2012 and report back to Cabinet in October 2012.

## **BACKGROUND INFORMATION**

3. Southwark is one of the largest local authority providers of social housing in the country comprising 39,000 tenants and 16,700 homeowners. This size and scale puts housing at the front and centre of the council's priority agenda.
4. Locally there are 19,844 people on the Council's Housing Register (snapshot, November 2011) awaiting a home, reflecting the scale of demand for social housing locally. Further, a report published by Shelter in October 2011 outlines that ordinary working families face unaffordable private rents in 55% of local authorities in England, and particularly in London Boroughs where the average rent for a two bedroom home (£1,360) is almost two and a half times the average in the rest of the country (£568).
5. Housing has always been a significant policy issue for local and central government. Having an affordable and mixed housing supply is vital in supporting a vibrant economy. Having good quality homes can improve people's health, well-being and education along with their life chances and their future generations' life chances too.
6. Over the years national and local government have taken different approaches to try to achieve quality outcomes in housing and housing supply and services. In the last 30 years the nature of the housing stock both locally and nationally has changed with a significant shift from public to private sector provision.
7. In 1981, 70% of all housing stock in Southwark was owned by the Council. By 2011 this figure was 31%. Both the number and proportion of private sector stock has grown significantly over the same time period. On a national scale and broadly over the same period the proportion of stock under public sector ownership has declined from 30% to less than half that today.
8. These changes demonstrate that an approach to managing council housing demand and supply and delivering good quality homes should be both immediate, for example, through short to medium term investment programmes but also longer term, looking at planning for up to the next thirty years to achieve lasting, sustainable outcomes.

## **Delivering a fairer future for all – five year investment programme**

9. In July 2011 Council Assembly agreed a new Council Plan setting out ten promises to deliver the vision of a fairer future for all. Two key promises are:

- To make every home warm, dry and safe; and
  - To bring the full benefits and opportunities of regeneration to all Southwark's residents and build new family homes on the Aylesbury Estate and at Elephant and Castle.
10. On 18 October 2011, cabinet agreed a £326million five year housing investment programme. The five year programme, which followed a two stage consultation with residents, is designed to ensure that all of the council's homes are made warm, dry and safe.
  11. The investment programme will ensure some of the most disadvantage groups living in the council's properties are given warm, dry and safe homes. This will not only have a positive impact on all the communities living in those homes but also the wider community, as it will address some of the imbalance in living conditions in the borough.

## **KEY ISSUES FOR CONSIDERATION**

### **A long term approach to housing**

12. The council needs to look beyond the next five years and develop a longer term strategic approach to its housing stock, to deliver sustainable outcomes that benefit all future generations across the borough.
13. The council is developing a thirty year housing asset management plan which will help inform and shape future programmes and provide an integrated approach to capital and revenue investment planning.
14. The council wants to go further and develop a strategic approach to Southwark housing stock, taking account of the promise to bring the full benefits of regeneration to Southwark's residents. This strategic approach needs to tackle the twin challenges of delivering a robust business plan that achieves high quality housing that is self-financing into the future, whilst exploring ways in which we can increase the supply of affordable council housing stock available for rent.
15. A longer term approach should also consider broader issues of investment, management and operation of the council housing stock for up to thirty years from 2015/16 (when the current five year programme comes to an end).
16. Developing such an approach will require input from specialised resources to create a sound, but challenging and innovative strategic business case for council consideration.

### **An independent Housing Commission**

17. An independent Housing Commission would fulfill the requirement of delivering a sound, challenging and innovative business case for change in the council's strategic approach to its housing stock.
18. An independent Commission is different to models adopted elsewhere, such as in Ealing and Lambeth. In both these cases the Commissions were led directly by the council. For Southwark it is important that Commission is independent of

Council control. This will ensure that material presented to the Commission is considered independently, with that independence retained throughout all stages of the process of the Commission's work.

19. It is proposed that the Commission be supported by the Smith Institute and independent think tank. Council officers have undertaken a competitive procurement process which resulted in the successful appointment of The Smith Institute. The Smith Institute is a leading London-based public policy think tank, which specialises in housing and place-making. The Institute has worked with a wide range of housing organisations, funders, developers, tenant groups, housing charities, construction firms and well known experts and academics in the housing field.

### **Terms of reference**

20. The Commission will explore options for the future financing, ownership and operation of Southwark's housing stock beyond 2015/16 (when the current five year investment programme comes to an end). The aim will be to examine proposals and make recommendations for an investment strategy, for up to thirty years, that is sustainable, affordable to the council and breaks the current cycle of an escalating demand for resources to maintain the quality of the stock.
21. This will be a unique opportunity for an in-depth study of investment options aimed at providing a robust strategy for Southwark's housing stock for up to the next thirty years. This study will consider all key issues that could impact on a longer term approach for council housing including strategies around allocations, rents, area and estate based regeneration, future funding streams and so on.
22. It is proposed that the Commission be led by Jan Luba QC. Jan Luba is a leading housing lawyer and has extensive experience of work in voluntary sector including with the citizen's advice bureau service, Child Poverty Action Group and the National Housing Law Service. Also, he has a particular interest in the administrative law aspects of social housing provision and homelessness.
23. The Smith Institute will use its professional networks to identify and secure suitably experienced, qualified and respected individuals for appointment as members of the Commission to support the Chair. The members will operate independently, taking evidence from key stakeholders (including tenants, leaseholders, residents, housing associations, and all those who are involved and interested in providing housing across the borough) and undertaking research and analysis to inform their findings.

### **Timescales and key success measures**

24. This report acts as the launch mechanism for the Commission in anticipation of work commencing in January 2012. The Commission will report back to Cabinet in October 2012.
25. Before reporting back to Cabinet the Commission will be expected to undertake activities including data gathering and policy review and analysis. This will include a review of existing documentation on the nature of Southwark's housing supply and needs, across all forms of ownership, and its implications for the council's housing stock.

26. The Commission will assess existing documentation on the council's vision and planning strategies for the area and the impact of these aspirations on Southwark's housing. It will examine existing documentation on the present condition of the council's stock throughout the borough and the necessary cost to refurbish the stock to different levels of decency.
27. The Commission will undertake a review of the current position on major housing regeneration proposals, including the Aylesbury Estate Regeneration and Elmington Projects. It will consider the current Housing and Communities Agency funding position in relation to Southwark schemes.
28. As part of data gathering, views will be sought from the wider community including tenants, leaseholders, residents, housing associations, and all those who are involved and interested in providing housing across the borough and feedback will be reviewed.
29. Policy review will include an examination of the changes in housing policy announced by the coalition government, including HRA reform, new tenancy strategies and 'affordable rent' proposals. The Commission will examine the likely impact on Southwark residents and tenants.
30. The Commission will undertake a review of the potential housing delivery models available, including those in other local authorities, and their applicability to Southwark's housing stock. It will consider the long term implications of stock retention for the council.
31. The Commission will also consider alternative options for the future financing and ownership of Southwark's housing stock including area and estate based regeneration, public/private partnerships, transfer of ownership, sale and leaseback, and tenant managed organisations and variations/combinations of these. This will be set against the baseline of the council's current housing strategy and investment plans.
32. The success of the Commission will be measured against the following criteria:
  - A report on the Commission's work presented to the Council in October 2012.
  - The report recommendations to be financially sustainable and deliverable and affordable to the council for up to a thirty year time period.
  - The report recommendations to demonstrate a strong understanding of differing perspectives of all key stakeholders.
  - The report recommendations to be acknowledged as professional and independent by all key stakeholders.
  - The report recommendations to be seen as acceptable by those most affected in the Southwark community and realistic by the council, external funding bodies and leading housing associations.

### **Benefits of the Housing Commission**

33. It is anticipated that the work of the Commission will ultimately provide the



council with a robust set of data, documentation and recommendations which can inform its approach to the provision of housing stock over the thirty years from 2015/16. The likely outcomes of this work are:

- A clear direction of travel and financially sustainable model of council housing investment.
- Better long term council housing provision for Southwark residents in potentially different forms to that currently experienced, or expected.
- Clearer knowledge of present constraints and a view of the advantages/disadvantages of housing models, including which development models may be best used in the Southwark context over the longer term.
- The opportunity to examine ways to deliver council housing which is of a suitable quality to meet resident needs over the long term and raise the borough's profile in the capital.

### **Policy implications**

34. The Commission will be undertaking its work within the framework of the council's and government's existing housing policies.
35. Of particular relevance in this area are local and central policies on rent, lettings, allocations, tenure and ownership and Housing Revenue Account (HRA) reforms. The Commission's work will also examine the council's strategy on long term regeneration and disposal having regard to the major schemes underway in Southwark.
36. There will be synergy with existing proposals to develop a thirty year asset management plan for the borough, which will dovetail with the work of the Commission. The policy aim is that the Commission's work should both compliment and constructively challenge the Council's ongoing business delivery.
37. The Commission will produce its report on the basis that the council will have ultimate say over implementation. The key policy areas likely to be impacted by the work of the Commission could be:
  - Southwark Council's role as a significant social landlord in London.
  - Southwark Council's position on rent levels and allocation of housing.
  - Consideration of the importance of substance over form in future housing provision, i.e. examining a shift in the balance of ownership and housing development in the borough over the next thirty years so that housing need is best met.
  - Development of a longer term housing strategy for the council which takes account of its immediate resource constraints, financial commitments to current stock and potential for unlocking future resources.

### **Community impact statement**

38. The Commission will undertake an open call for evidence and information from across the communities of Southwark. The work of the Commission and the findings it produces will be of potentially crucial importance in shaping the social context of the Borough for up to the next thirty years. The council provides housing for a diverse population and the Commission will need to be mindful of the circumstances of current communities, in order to appropriately inform its analysis and findings.
39. It is important that the Commission takes direct evidence from service users and considers Southwark's demography so that bias does not occur detrimentally against individual, or groups of residents on the grounds of age, disability, faith/religion, gender, race and ethnicity and sexual orientation as a result of the Commission's work.

### **Resource implications**

40. The council has identified a total budget of £104,000 for this work. This includes the cost of core activities and undertaking data and evidence gathering, policy review and associated works as set out through this report.
41. Internal staff time will be required to develop and operate the programme plan with the Commission. Where appropriate specific input from the finance and legal departments may be sought, with costs contained within existing budget allocations. No new team of officers will be created as a result of the work of the Commission. Any servicing requirements to the Commission will be met through existing resources.
42. The Commission is due to report back to Cabinet in October 2012. Any financial recommendations resulting from the work of the Commission will need to be appropriately identified and addressed at that time. For the purposes of this current report it is reasonable to say that:
  - Although the strategy timeframe examined by the Commission is lengthy, current service provision and resource situation must form the springboard for any future work.
  - The high levels of commitment required to maintain existing service provision mean that any recommendations will need to acknowledge the extent and origin of resources required to generate any significant improvement.
  - There may be a range of eligible development models for the council to consider. The Commission will advise on those which may be most suitable (subject to further viability testing) depending on the location, condition and nature of existing stock and the potential economic climate in which future development may occur.
  - There will be several economic cycles and government changes over the strategy period leading to varying levels of council resource availability and capacity for financial commitment which is as yet not quantified.

### **Consultation**

43. The Commission will be wholly independent of the Council and, through its work,

will undertake an open call for evidence and information from tenants, leaseholders, residents, housing associations, and all those who are involved and interested in providing housing across the borough. This evidence will be essential in informing and supporting the work of the Commission.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

44. There are no specific legal implications evident at this time. The report confirms that specific input from the finance and legal departments may be sought where appropriate during the course of the commission's work.

### **Finance Director**

45. This report recommends the establishment of a Housing Commission. The finance director notes that the estimated cost of £104,000 is anticipated to be met within existing budgets. Internal staff will be used to support the Commission and where appropriate specific input from the finance and legal departments may be sought with costs contained within existing budget allocations.

## **BACKGROUND DOCUMENTS**

| <b>Background Papers</b>  | <b>Held At</b>                       | <b>Contact</b>  |
|---|--------------------------------------|---|
| Housing Investment Programme – Confirmation of Five Year Programme and Update on the High Investment Need Estates Options Appraisal Project | 160 Tooley Street,<br>London SE1 2QH | Darren Welsh, Head of<br>Community Housing Services<br><br>David Markham, Head of<br>Major Works<br><br>Maurice Soden,<br>Housing Regeneration<br>Initiatives Manager |
| Council Plan  | 160 Tooley Street,<br>London SE1 2QH | Stephen Gaskell,<br>Corporate Strategy  |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Peter John, Leader of the Council |                          |
| <b>Lead Officer</b>   | Annie Shepperd, Chief Executive              |                          |
| <b>Report Author</b>  | Stephen Gaskell, Corporate Strategy          |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 1 December 2011                              |                          |
| <b>Key Decision?</b>  | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>                       | <b>Comments included</b> |
| Strategic Director of Communities, Law & Governance                     | Yes  | Yes                      |
| Finance Director  | Yes  | Yes                      |
| Other Officers  | All Strategic Directors                      | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |  | 1 December 2011          |

|                                    |                               |   |                                 |
|------------------------------------|-------------------------------|---|---------------------------------|
| <b>Item No.</b><br>11.             | <b>Classification</b><br>Open | <b>Date:</b><br>13 December 2011  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                               | Housing Revenue Account – Indicative Rent-Setting and Budget Report 2012/13       |                                 |
| <b>Ward(s) or groups affected:</b> |                               | All   |                                 |
| <b>Cabinet Member:</b>             |                               | Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management |                                 |

### **FORWARD – COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT**

As part of this meeting, Cabinet will be asked to agree the establishment of a Housing Commission for Southwark, and I have no doubt that they will wish to reassure themselves as to the health of our HRA as part of their deliberations. Self-financing of the HRA is the culmination of a process of reform that began under the previous government, and whilst welcoming the freedoms that it brings, we recognise that it comes with significant challenges; particularly in the short-term.

The self-financing debt settlement is underpinned by government assumptions that rents will continue to follow national rent policy which is driven by RPI – this year that figure is 5.6%. In previous years government has acknowledged that such a high inflation rate results in unacceptably high rent increases, and intervened accordingly to mitigate this. I have written to the Housing Minister pointing this out, and asking for help across our sector, but we must act prudently in case the pleas of local government fall on deaf ears.

Where we have greater flexibility we have acted, and propose not to increase tenant service charges, district heating charges or non-dwellings charges as a result. The council remains committed to providing warm, dry and safe homes – the principles outlined in “A Fairer Future for All” earlier this year are more relevant than ever. I am determined that we go into the future of housing finance well equipped to continue to deliver on these policy goals.

### **RECOMMENDATIONS**

Cabinet is recommended to:

1. Note on a provisional basis, a rent increase of 7.96% in compliance with the government’s rent guidance (as set out in paragraphs 12 – 22). This is equivalent to an increase of £6.78 per week on average, to be applied to all HRA dwellings (including estate voids and hostels), with effect from 2 April 2012. Average budgeted dwelling rent for tenanted stock in 2012/13 will be £91.94 per week.
2. Note on a provisional basis the intention of the council to charge new-build and newly let properties at formula rent levels from the commencement of their letting as set out in paragraph 23.

3. Note on a provisional basis no increase to tenant service charges as set out in paragraph 24.
4. Note on a provisional basis no increase to the standard charge for garages, consideration of amendments to the concessionary scheme, and the potential introduction of a 'market rent' for private sector renters as set out in paragraphs 25 – 27 with effect from 2 April 2012.
5. Note on a provisional basis no increase to heating and hot water charges as set out in paragraphs 28 – 30 with effect from 2 April 2012.
6. Instruct officers to provide a final report on Rent-Setting and the HRA Budget for 2012/13 after due consultation processes have been followed for consideration at their meeting on 24 January 2012.

## **BACKGROUND INFORMATION**

### **Context**

7. The Spending Review undertaken by the coalition government published on 20 October 2010 contained significant financial issues for local government, as well as the entire public sector. The HRA, despite being ring-fenced from the rest of the general fund is not immune from the fall-out from this, and officers were instructed to identify a three-year savings package in line with that required for the rest of the council. Current projections identify a "budget gap" of some £6.4m for 2012/13. The level of savings that this would entail presupposes certain other financial decisions which the council is minded to make on HRA finances, such as maintaining a prudent and necessary level of reserves and the degree to which capital investment may be supported from revenue.
8. There is no direct link between rent levels, given that they are almost entirely predicated on national decisions, and service expenditure locally, aside from rental income contributing to the overall total within which the HRA at Southwark must operate. The council has a statutory responsibility to provide a balanced HRA budget (i.e. all budgeted expenditure must be matched by income).
9. It is also important to place any proposals for the HRA budget for 2012/13 and future years into the wider context of the major reform of HRA Finance from April 2012 in some detail, including the establishment of a self-financing relationship between local government housing providers and central government leading to very substantial changes in the way in which the HRA is financed. Appendix A sets out the self-financing changes nationally, and their implications locally.

### **Statutory framework**

10. The Housing Revenue Account (HRA) reflects the statutory requirement under Section 74 of the Local Government and Housing Act 1989 to account separately for local authority housing provision. It is a ring-fenced account, containing solely the costs arising from the provision and management of the council's housing stock, offset by tenant rents and service charges, housing subsidy, leaseholder service charges and other income. This requirement is unaffected by the Localism Act 2011.

11. Whilst there is no statutory requirement to consult, the council is committed to engaging with stakeholders, particularly under the terms of the Tenancy Agreement, and so this report will be subject to consultation with Tenant Council, Area Forums and Home Owner Council before the final version is presented to Cabinet.

## **KEY ISSUES FOR CONSIDERATION**

### **Annual rent guideline and formula rent**

12. In the past, government housing subsidy rules ensured that councils were financially penalised if they varied rents, either up or down, from the prescribed guideline rent. Under the government's policy of rent restructuring, the capacity to set an increase below the guideline was limited by the annual withdrawal of housing subsidy at least equal to the guideline increase (rent clawback). Any increase beyond the guideline would contravene the government's rent restructuring framework – specifically the affordability criteria implicit within caps and limits. In addition, housing benefit limitation arrangements within the subsidy rules meant the government could reduce the amount payable to Southwark if the rent increase exceeded the HB limit, such that the HRA would ultimately receive c.40% of the additional increase above the prescribed guideline.
13. Government implemented its review of rent restructuring in 2006/07. In Southwark this had an impact on rent levels and had the effect of accelerating convergence with housing association rents.
14. In prior years, CLG would issue a draft subsidy determination for consultation in October/November, with a final version in December, encompassing allowance and debt charge levels, and guideline rent assumptions. For the transition to self-financing, a set of draft settlement and transitional subsidy determinations were published on 21 November 2011, setting out rental assumptions for 2012/13 and beyond, the likely final debt settlement calculation and final transitional arrangements between the two systems. It is likely that the final settlement will be available from mid-January 2012.
15. There are three separate drivers for rent inflation under rent restructuring: the underlying inflation rate (the Retail Price Index at September 2011 is used as specified by the government); the 0.5% top-up and the effect of phasing the move between Southwark's actual and target rents. This final percentage is mainly influenced by the 'convergence date' determined by the government – i.e. the year by which actual rents are assumed to have reached the formula rent level. The draft determination continues with revised assumptions made under the HRA Review exemplifications. The 2012/13 determination utilised the September 2011 RPI of 5.6%. The effect of each of these drivers is summarised in the table below.

| <b>Average Rent Inflation</b>           | <b>2011/12<br/>Final*</b> | <b>2012/13<br/>Draft</b> | <b>2012/13<br/>Final</b> |
|---|---------------------------|--------------------------|--------------------------|
| Inflation Uplift (RPI @ September)      | 4.60%                     | 5.60%                    | 5.60%                    |
| Top-Up Element                          | 0.50%                     | 0.50%                    | 0.50%                    |
| = Increase in Formula Rent              | 5.10%                     | 6.10%                    | 6.10%                    |
| plus national convergence element       | 1.70%                     | 1.74%                    | tbc                      |
| = Increase in National Guideline Rent   | 6.80%                     | 7.84%                    | tbc                      |
| plus local convergence element          | 0.93%                     | 0.63%                    | tbc                      |
| less annual affordability limits        | (0.66%)                   | (0.51%)                  | tbc                      |
| <b>= Total Increase in Actual Rents</b> | <b>7.07%</b>              | <b>7.96%</b>             | <b>tbc%</b>              |

\* Restated to reflect tenanted stock only

16. The previous government's original intention was that rent restructuring would be complete (or rents would have 'converged') after 10 years (i.e. in 2011/12). However, they intervened on a number of occasions during the operation of the policy in order to alleviate the actual rent rises that would otherwise have resulted. A chronology of the national changes made since 2002/03 is attached as Appendix B.
17. The average guideline rent, though calculated on an individual authority basis by the government, does not take account of local rental history, nor of the government's intention that rents be restructured on an individual basis, rather than a blanket increase being imposed on tenants. As rent restructuring is property-related, actual rent increases (in line with government guidance) depend on the formula rent for each property (which relates to the value, size and location) and the existing actual rent. This generally adds around 1 to 2% to the average rent increase each year. Without the application of annual affordability limits (RPI + ½% + £2.00) for individual rent rises, the average increase would be even higher than the guideline figure.
18. Appendix C is a collated list of average and formula (or 'target') rents across London Boroughs. In 2011/12 Southwark's average rent ranked 9<sup>th</sup> lowest of the 29 London Boroughs that manage their housing stock, either directly or via an ALMO. Appendix C also indicates how far each authority has to travel before reaching the target rent level demanded under this system. Southwark is one of seven London Boroughs where this gap is still at least 9%, meaning that the local convergence pressure will take some years to be fully realised.
19. Government set out their assumptions regarding rent levels post-settlement in their covering letter with the draft settlement determination papers issued on 21 November 2011. The relevant passage is quoted below:

*"The draft determinations and the [settlement] models set out the self-financing policy and methodology. Key components in the self-financing valuation model are:*

**Assumed rental income:** *As described in both the February and July 2011 policy documents, national social rent policy is that rents in the council housing sector should converge with those charged by housing associations by 2015-16, followed by rent rises at RPI + 0.5% per year after this, in line with housing associations. In*



*valuing each local authority's housing business we have assumed adherence to this rent policy.*

*In keeping with previous years, we will base next year's rent rises on RPI inflation in the previous September, combined with a convergence factor to reflect the number of years to rental convergence with the housing association sector.*

*Source: 'Consultation on the draft determinations to implement self-financing for council housing', CLG 21 November 2011*

20. The likely effect of the assumptions on rents within the draft determination/settlement are summarised below:

|                                      | <b>2011/12<br/>Base*</b> | <b>Indicative<br/>2012/13</b> | <b>Indicative<br/>2013/14</b> | <b>Indicative<br/>2014/15</b> |
|--------------------------------------|--------------------------|-------------------------------|-------------------------------|-------------------------------|
| Average Weekly Rent                  | £79.54                   | £85.16                        | £91.94                        | £96.28                        |
| September RPI + ½%                   | 5.1%                     | 6.1%                          | 3.0%                          | 3.0%                          |
| Estimated Uplift                     | £4.06                    | £5.19                         | £2.75                         | £2.89                         |
|                                      | £83.60                   | £90.35                        | £94.69                        | £99.17                        |
| Move to Formula Rent                 | £2.13                    | £2.44                         | £2.83                         | £3.57                         |
| Caps & Limits Adjustment             | (£0.57)                  | (£0.85)                       | (£1.24)                       | (£1.97)                       |
| <b>Average Rent – Tenanted Stock</b> | <b>£85.16</b>            | <b>£91.94</b>                 | <b>£96.28</b>                 | <b>£100.77</b>                |
| Average % Increase                   | 7.07%                    | 7.96%                         | 4.72%                         | 4.66%                         |
| Est. Rents/Service Charge Income     | £208.3m                  | £223.6m                       | £230.1m                       | £236.4m                       |
| <b>Estimated Increase</b>            |                          | <b>£15.3m</b>                 | <b>£6.5m</b>                  | <b>£6.3m</b>                  |

*\*Restated to reflect tenanted stock only*

21. Calculation of the debt settlement figure by CLG is predicated by projected rent debit levels over the next thirty years. The cost to the authority of servicing total debt post-settlement, together with the likely rental income lost by not being able to fully converge individual rents by 2015/16 means that any decision not to realise rents to the level anticipated by the CLG calculation is likely to have a potentially detrimental impact on the ability of the council to deliver balanced HRA budgets during the early years of self-financing.
22. In previous years, average rents quoted in this report have referred to the whole of the council's stock which was eligible for subsidy from central government. This included hostel places and other properties identified for temporary accommodation purposes. These latter charges are not subject to rent restructuring, and therefore presented an anomaly in terms of being included in the average figure. As subsidy is no longer applicable, they have been excluded, and the term "average rent increase" now applies to the council's tenanted stock (including TMO's) only. This presentational change has no impact on the actual rent charged for any individual tenancy.
23. To partly ameliorate the additional pressure on rent levels in the table above, additional rental income could be generated by charging new-build and newly let properties directly at the formula rent level, i.e. assuming full and immediate convergence. This is increasingly common amongst local housing authorities, and for Southwark would affect up to 2,000 properties each year, giving rise to an estimated rental income of around £0.4m per year. Since this proposal is at an early stage it requires further development, in consultation with the Director of Housing Services.

### Tenant service charges

24. Tenant service charges were separated out from rent as part of the government's rent restructuring regime in 2003/04; initial rent implementation having commenced the previous year. This was to enable greater consistency and transparency between local authority and RSL sectors. Charges were frozen in 2010/11. Increases are normally capped nationally at September RPI @ 5.6% + 0.5%, which would equate to an overall increase of 6.1% for 2012/13. However, given the substantial pressures on overall rent levels in 2012/13, and the rebasing exercise on service charges that was undertaken last year, the council intends to ensure that these charges are frozen once more for 2012/13. For ease of reference, the respective service charges are listed in the table below:

|                     | 2011/12<br>£ per week | 2012/13<br>Proposed new<br>charge | %age change |
|---------------------|-----------------------|-----------------------------------|-------------|
| Estate Cleaning     | 4.60                  | 4.60                              | 0.0%        |
| Grounds Maintenance | 1.09                  | 1.09                              | 0.0%        |
| Communal Lighting   | 1.17                  | 1.17                              | 0.0%        |
| Door Entry          | 0.68                  | 0.68                              | 0.0%        |
| <b>Total</b>        | <b>7.54</b>           | <b>7.54</b>                       | <b>0.0%</b> |

### Non-residential rents and charges

25. Given the significant increase in non-residential charges made in 2011/12 in order to enable the council to reinvest income to improve the stock and make further elements available for rental there will be no change to standard charging levels for 2012/13.
26. In respect of garages specifically though, two changes to the charging regime are being proposed. Firstly the 2011/12 increase of 50%, taking the standard garage rent to £18.97pw was ameliorated by a £5.00pw garage rent for those over 70 years of age or registered disabled. The take-up of this concession was more than double the anticipated level; having an adverse effect on income and thus monies available for reinvestment. Consideration is being made to remove the concession for all but registered disabled groups from 2 April 2012.
27. Secondly, the Garages Working Group in their deliberations leading up to the 2011/12 garage rent increase concluded that private sector garage renters should pay a 'market rent' for garages. This would mean identifying the market rent for garages in different locations in the borough, a resource-intensive process. In the short-term a 'market rent' of £25.00pw for a standard garage is proposed for private sector renters (i.e. those who are not Southwark tenants, leaseholders or freeholders paying an estate service charge).

### District heating charges

28. Heating and hot water charges increased by 14.5% in 2009/10, as the council was in the process of procuring an extended, 4-year flexibly-priced contract for the provision of gas for 'large sites'. Flexible pricing means that the council is not tied to a given price at the time of procurement, and that (in conjunction with other members of the consortium agreement) we are able to follow the wholesale market in order to better deliver sub-premium prices to tenants.

29. In last year's rent-setting report, as for the previous year, it was recommended that heating charges be kept at previously-set levels, but that the review process be maintained on an annual basis to assess the possibility of future changes to charges where merited.
30. The performance of the flexible price contract has been updated and re-examined, and despite recent retail price increases, the advantageous operation of the contract means that the cost of District Heating can be maintained at previous levels once again. It should be noted that continuing market price volatility means that the council will in all likelihood have to apply any accrued reserve on this account to mitigate likely inflationary pressures on a new four-year contract from 2013/14 onward. This is a continuation of long-standing council policy regarding the operation of the Heating Account as ring-fenced within the HRA.

### **Thames Water**

31. Water and sewerage charges applicable to council dwellings will be subject to an increase from April 2012. Notification of the increase will be advised in the next few weeks by Thames Water, on whose behalf the council act as agent for billing and collection.

### **Budget consultation**

32. The council has set out seven over-arching budget principles, covering both the HRA and the general fund, and these are attached as Appendix D. In July 2011, this was refined by a statement of ten 'Fairer Future' principles as agreed by Council Assembly, and these also form part of Appendix D.
33. The adoption of these principles meant that the council looked anew at its consultation processes for the HRA last year, and commenced the process earlier, with an interim report to Cabinet in December setting out the provisional budget scenario in terms of HRA finances, which enabled the commencement of consultation with residents before Christmas. This report will be presented to Tenant Council in early January in order for formal submission to area housing forums during the month to take place. Home Owner Council will also consider this report during January.
34. Since finalised information from central government will not be available until after this process has begun, there may be a need to refine HRA budget information during January, and officers will be asking Cabinet to set rents accordingly at their meeting in late January 2012. As normal, the results of the consultation processes will also be reported to Cabinet at that time.
35. The changing financial circumstances which all local authorities find themselves in require significant changes to the levels of service likely to be able to be afforded by local government, and despite the ring-fence, the HRA is no exception to this.
36. In its simplest form, the HRA may be represented on a service basis within the following table. Revised budget figures for 2011/12 have been used.

| £m                             | Expenditure  | Income         | Net      |
|--------------------------------|--------------|----------------|----------|
| Area Management                | 49.0         | (190.2)        | (141.2)  |
| Maintenance & Compliance       | 46.2         | (3.6)          | 42.6     |
| Major Works                    | 7.2          | (2.3)          | 4.9      |
| Community Housing Services     | 9.3          | (4.8)          | 4.5      |
| Customer Experience            | 0.3          | –              | 0.3      |
| Home Ownership Unit            | 15.1         | (49.4)         | (34.3)   |
| Director of Housing Services   | 0.2          | –              | 0.2      |
| Housing Services Department    | 127.3        | (250.3)        | (123.0)  |
| Regeneration Department        | 1.7          | (0.2)          | 1.5      |
| Finance & Resources Department | 144.5        | (23.0)         | 121.5    |
| <b>TOTAL HRA</b>               | <b>273.5</b> | <b>(273.5)</b> | <b>–</b> |

### Financial implications

37. The HRA budget for 2011/12 was set against the backdrop of the national Spending Review 2010, and contained provision for savings and expenditure patterns over a three-year budget horizon, in tandem with the general fund. The savings for 2012/13 already therefore form part of the financial framework which the authority is working to. For the most part, and unless compensatory provision has been established elsewhere, these savings are on track to be realised during 2012/13. The course for the HRA now is to roll-forward the planning horizon a further year, and so preliminary savings packages up to and including 2014/15 have been formulated by officers as part of this process and will be subject to consultation in due course.
38. For 2012/13, as indicated in Appendix E, this leaves a gap of £6.4m which for the purpose of presenting a balanced budget, is being met by a package of efficiency savings. It is anticipated that these may be delivered through revised and more efficient working across housing services, together with further contract and supply chain improvements. Re-profiling and re-direction of resources provides the flexibility to target those areas of highest priority/greatest need. In order to prudently manage the scarce resources available, the council also intends to contribute sums into reserves to cover exceptional cost items now and in the future.
39. The final HRA Rent-Setting and Budget Report will set out an indicative base budget for the HRA in 2012/13. The revised position for 2011/12 is attached as Appendix F for reference. The position on the HRA for 2011/12 has been reported on a quarterly basis in September and November 2011, and is planned for February 2012.

### Commitments/Unavoidable demands

40. Self-Financing – Appendix A refers. The loss of £26.0m in subsidy for 2012/13, alongside a likely reduction in debt charges post-settlement of £13.9m and in premia payments of £1.8m gives rise to a net cost to the council of £10.3m.
41. Depreciation – Appendix A also gives details as to the technical alternatives currently under consideration by relevant professional bodies. For Southwark, the current best estimate is an additional cost in 2012/13 of £6.1m, though this is subject to change as national advice is clarified. The cumulative effect of this and the other self-financing changes noted above is £16.4m.

42. General Inflation – in formulating the 2012/13 HRA budget, corporate guidance regarding inflation rates for has been followed in line with the general fund. In most instances this is assumed to be zero (i.e. cash limiting budgets); with the exception of specific contractual arrangements, which have annual inflationary uplifts built-in. For the HRA this totals £1.4m.
43. Commitments – a number of aspects of HRA expenditure are unavoidable in the sense that they will be incurred without any change in policy direction or in service provision. For 2012/13 these comprise provision for bad debts (£1.7m); and agency workers directive (£0.6m).
44. Guideline Rent Increase and change to new-let policy – paragraphs 12 – 23 above refer.
45. Tenant Service Charges – paragraph 24 above refers.
46. Non-Dwelling Rents (Garages) – paragraphs 25 – 28 above refer.
47. Leaseholder Service Charges and Major Works – Service charges (annual & capital) represent a share of our costs of providing housing management services, and are recoverable under the terms of lease agreements. The value of leaseholder major works billing is driven by the investment programme and the extent of landlord commitments, ‘Warm, Dry, Safe’ and fire safety works undertaken. Year on year this can fluctuate and requires regular review and alignment with the programme to ensure that budgeted income is realistic and achievable. For 2012/13 the additional net effect on the HRA, including reduced contributions to the capital programme from this source will total £1.8m.

### **Efficiency savings**

48. The HRA Budget and Rent-Setting reports for 2011/12 noted that extensive consultation was undertaken regarding the savings package and options therein worked up by the Director of Housing Services. This process, in alignment with the general fund, also encompassed savings over the years 2012/13 and 2013/14. Savings for the year covered by this report have therefore already been identified, and in the main are available for implementation. Where this is not the case, the Director of Housing Services has identified compensatory savings. The process will be repeated over January 2012, rolling forward to cover 2014/15.

### **Welfare reforms and community impact statement**

49. The government has also made a number of announcements on welfare reforms as part of its overall strategy of economic management in the context of the Spending Review of last year, some of which have a direct impact on Southwark tenants and leaseholders.
50. An equalities assessment will be conducted in parallel with consultation processes undertaken by the council, and the results will be reported in the final report.

### **Consultation and notification**

51. One of the intentions of presenting financial information to Cabinet in December last year was to enable consultation processes to commence prior to the Christmas break, rather than the New Year. All figures in this report are flagged as “Indicative” and further work will be undertaken by officers, both in tandem with the consultation process, and independently of it in order to generate a final report for Cabinet on 24 January 2012.
52. Following the adoption of the overarching budget principles and ‘*A Fairer Future for All*’ (see Appendix D), the council intends to invite any further comment on likely budget options regarding the general fund budget for 2012/13 and beyond during January 2012, and it is anticipated that HRA proposals will follow a similar process.

#### **Tenant Council**

53. Tenant Council will meet in early January to both discuss this provisional report, and to refer it on to area housing forums. The meeting will reconvene on 23 January 2012 to consider any recommendations arising from the area forum consultation, and wider HRA budget consultation outcomes where available; and make consolidated recommendations to Cabinet, which will be reported as an appendix to the final report on 24 January.

#### **Home Owner Council**

54. Home Owner Council are unable to make recommendations in the matter of tenant rents and service charges, but may do so in terms of any proposals regarding non-dwellings rents and other charges and in terms of the rest of the HRA Budget; and so this report will be referred to their meeting of 4 January 2012, and any comments made reported to Cabinet at the 24 January meeting.

#### **Statutory and Contractual Notifications**

55. Subsequent to the approval of the final report on 24 January, either as set out or as amended by Cabinet, and the passing of the necessary date for its implementation, the council will issue a statutory and contractual notification of variation in rents and other charges to all tenants, not less than 28 days prior to the commencement of the new rents and charges referred to above.

### **Housing Commission**

56. Elsewhere on the agenda for this Cabinet is a report regarding the establishment of a Housing Commission for Southwark. The Commission’s proposed terms of reference include exploring options for the future financing, ownership and operation of Southwark’s housing stock beyond 2015/16. Since this will encompass all aspects of housing delivery, including existing national rent policy, there will be significant overlaps between the Commission’s work and both Southwark’s HRA and investment programme.

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

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

57. Statutory requirements as to the keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989. The provisions

include a duty, under Section 76 of the Act, to budget to prevent a debit balance on the HRA and to implement and review the budget.

58. On 15 November 2011 the Localism Act 2011 was enacted bringing certain provisions into force with immediate effect. In particular, Sections 168 to 175 relating to housing finance provide for the determination of settlement payments calculated in accordance with such formulae as the Secretary of State may issue from time to time. The settlement payment under the Localism Act will replace subsidy payments in England made under the HRA currently provided for by Section 80 of the 1989 Act. Section 80 of the 1989 Act will be amended by the provisions of Section 167 and Schedule 15 of the Localism Act to limit future HRA subsidy provision to Wales. These provisions are due to be brought into force from 1 April 2012.
59. This report sets out the transitional provisions for changing from HRA subsidy to the new self-financing settlement payments under the Localism Act 2011 and as to the consultation on the draft determinations issued by Department for Communities and Local Government in accordance with the provisions of Section 173 of the Localism Act.
60. Under Section 24 of the Housing Act 1985, local housing authorities have the power to “make such reasonable charges as they may determine for the tenancy or occupation of their houses”. Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. The section confers a broad discretion as to rents and charges made to occupiers, however Cabinet will note the effective limitation of discretion provided by the calculation of the self-financing debt settlement referred to in this report.
61. Rent and other charges are excluded from the statutory definition of matters of housing management in respect of which local authorities are required to consult their tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996 in relation to secure, introductory and demoted tenants respectively. As a term of the tenancy agreement with its tenants however, Southwark Council has undertaken to consult with the Tenant Council, “before seeking to vary the sums payable for rents and other charges”. The report indicates consultation will take place in order to comply with this term.
62. It is further provided by Section 103 of the Housing Act 1985 in relation to secure tenancies, which also applies in respect of introductory tenancies by virtue of Section 111A of the Housing Act 1985, together with the council’s agreement with its tenants, that they are notified of variation of rent and other charges at least 28 days before the variation takes effect by service of a notice of variation. The report indicates the notice of variation will be served in time to comply with this requirement.

#### **Finance Director**

63. The financial implications arising from the final subsidy determination (in draft form), the draft self-financing settlement and movements in expenditure/income on the HRA are covered within this report.

**BACKGROUND DOCUMENTS**

| <b>Background Papers</b>   | <b>Held At</b>                      | <b>Contact</b>                 |
|--|-------------------------------------|--------------------------------|
| HRA Indicative Rent-Setting and Budget Report 2012/13 v.11   | 160 Tooley Street<br>London SE1 2QH | Shaun Regan<br>020 7525 7771   |
| Implementing Self-Financing<br>( <i>CLG February 2011</i> )  | As above                            | Andrew Murray<br>020 7525 7731 |
| Self-Financing: Planning the Transition<br>( <i>CLG July 2011</i> )  | As above                            | Andrew Murray<br>020 7525 7731 |
| Consultation on the draft determinations to implement self-financing for council housing<br>( <i>CLG November 2011</i> ) | As above                            | Shaun Regan<br>020 7525 7771   |

**APPENDICES**

| <b>No.</b> | <b>Title</b>                                       |
|------------|--|
| Appendix A | Self-Financing and Southwark                       |
| Appendix B | Rent Restructuring Chronology                      |
| Appendix C | Average Rents across London Boroughs 2011/12       |
| Appendix D | Southwark Budget Principles                        |
| Appendix E | HRA Indicative Budget Movements 2011/12 to 2012/13 |
| Appendix F | HRA Revised Base Budget 2011/12                    |

**AUDIT TRAIL**

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management |                          |
| <b>Lead Officer</b>   | Duncan Whitfield, Finance Director  |                          |
| <b>Report Author</b>  | Ian Young, Head of Housing Finance  |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 1 December 2011   |                          |
| <b>Key Decision?</b>  | Yes   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER</b> |   |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>  | <b>Comments included</b> |
| Strategic Director of Communities, Law and Governance               | Yes   | Yes                      |
| Finance Director  | N/a   | N/a                      |
| <b>Cabinet Member</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                | 1 December 2011   |                          |



## APPENDIX A

## Self-Financing and Southwark

- A1. Since the Local Government and Housing Act 1989 came into force, housing finance has been subject to a subsidy method of support from central government. In a similar vein to general fund block grant, the government created a notional housing account for each authority, including allowances for management and maintenance, and latterly also for major repairs. Since 2002 a guideline rent level was also calculated. Where allowances outweighed guideline rent, the government would provide housing subsidy to cover the difference. However, if rents were estimated to over-provide for allowances, then that excess was to be remitted back to central government as “Negative Subsidy”.
- A2. Over time, the parameters used by government in this calculation have become increasingly disconnected to the realities of providing a social housing service, with an increasing number of authorities falling into negative subsidy. This has had the effect of pushing the notional national account closer and closer to surplus – i.e. the sector has more resource taken out of it than central government puts in – colloquially a “tax on tenants”.
- A3. The previous government accepted that subsidy had become no longer ‘fit for purpose’, and in June 2006 began what became a fairly lengthy process of designing a replacement settlement for the sector.
- A4. The HRA subsidy system was based on a notional HRA for each local housing authority, this notional account being built up from:
- |                              |  |
|------------------------------|--|
| Expenditure Allowances:      | weighted for the type of stock and for local factors such as crime rates and regional cost levels                      |
| • Management;                |  |
| • Maintenance; and           |  |
| • Major Repairs              |  |
| plus Debt Charge Allowance   | based on the accumulated supported borrowing and the actual average interest rate on this                              |
| less Guideline Rent clawback | based on rents moving according to government guidelines, since 2002/03 converging to a formula rent for each property |
- A5. From year to year, uplifts have been applied – expenditure allowances are uplifted for HM Treasury’s inflation rate and guideline rent is uplifted by RPI + 0.5% + a staged move towards average formula rent for the authority. N.B. these two uplifts are not the same.
- A6. Because guideline rent is generally uplifted by more than expenditure allowances, the tendency has been for notional HRA deficits to reduce each year, with many authorities moving into surplus and having to pay subsidy to CLG. The system has the effect of removing rent proceeds above inflation from local authority landlords, passing these to HM Treasury, unlike the position for housing associations, who keep all rent increase proceeds.

- A7. Many years of restrictions on capital expenditure, such as the limits on retention of capital receipts, has also led to a degree of stagnation on the supply-side of local authority housing, particularly with reference to serving the levels of historic debt incurred or inherited from previous providers.
- A8. CIPFA have noted the following checklist of issues with the subsidy system:
- It is based on notional allowances that are not related to actual spending;
  - It is a national system administered locally;
  - Resources are insufficient to maintain the homes & meet tenants' requirements;
  - It is a complex system that has developed over 20 years;
  - Resources within the system are being taken into the Treasury which is seen as unfair;
  - Rents & services are not related;
  - There is limited local autonomy;
  - Annual housing subsidy determinations are issued;
  - Limited business planning is possible;
  - Capital receipts pooling may not still be relevant;
  - The HRA ring-fence & 'Circular 8/95' are not now entirely fit for purpose; and
  - There could be greater incentives to improve performance.
- [Source, Technical Information Service, September 2009]*
- A9. The previous government conducted several rounds of consultation on replacing the subsidy system, starting in June 2006 by establishing a pilot study whereby local housing authorities could individually leave the subsidy system if they met certain financial criteria. Soon after their election the coalition government confirmed their intention to complete this process, and 1 April 2012 has been set as the date of implementation. From that date CLG will cease operating the HRA revenue subsidy system. Local housing authorities will instead have a one-off adjustment to their HRA debt on or around 28 March 2012. The adjustment is intended to leave HRA debt at a level where the debt charges will be affordable from the surplus of rents over running costs of the tenanted stock. Calculations are predicated on a 30-year business planning horizon.
- A10. Self-financing is intended to operate in future years without the need for revenue subsidy transactions between authorities and central government. Future expenditure allowance and rent projections have been fed into cash-flow forecasts to indicate the annual revenue surplus of each authority's HRA if without debt charges. Authorities will then be allocated a new level of debt equal to the net present value of revenue surpluses for the next 30 years.
- A11. The government has consulted on the mechanisms for the physical transfer of debt between itself and local housing authorities as set out below:

### **3. Settlement payments**

#### PAYMENTS TO THE SECRETARY OF STATE

- 3.1. Where the self-financing valuation for a local housing authority is greater than the SCFR for that authority, the authority must pay to the Secretary of State the amount by which the self financing valuation exceeds the SCFR. Where the SCFR is a negative amount it has been treated as nil for the purposes of this calculation.
- 3.2 The local housing authorities required to make a payment to the Secretary of State on or before 28 March 2012 and the amounts payable are set out at Annex A to this determination. Payments must be made as cleared funds via electronic banking transfers on or before 28 March 2012.

#### PAYMENTS TO LOCAL HOUSING AUTHORITIES

- 3.3 Where the self-financing valuation for a local housing authority is less than the SCFR for that authority, the Secretary of State will make a payment to the authority equal to the amount by which the SCFR exceeds the self financing valuation.
- 3.4 Payments will be made on 28 March 2012 as follows and in this priority until the full payment has been made:

#### PUBLIC WORKS LOAN BOARD LOANS

- 3.4.1 The Secretary of State will redeem an equal percentage of all Public Works Loan Board (PWLB) loans held by the authority. The percentage for each authority will be calculated according to the value of PWLB loans held by the authority on the date of the transaction. Annex B to this determination lists the local authorities to which this applies and the amounts for payment by the Secretary of State.
- 3.4.2 Any charges for the early repayment of these loans will be met by the Secretary of State. The Secretary of State will set any discounts for early repayment of loans against these charges.

#### AUTHORITIES WHERE THE SETTLEMENT PAYMENT IS GREATER THAN THE VALUE OF LOANS HELD WITH PWLB

- 3.4.3 Where an authority's PWLB debt is less than the settlement payment, the Secretary of State will redeem all the loans held with the PWLB and pay the balance of the settlement payment to the local authority.
- 3.4.4 Local authorities will be required to use this balance payment in accordance with conditions stipulated in letters issued by the Secretary of State to local authorities receiving these payments.

- A12. The expenditure allowance levels in the projections are substantially higher than currently and the discount rate of 6.5% p.a. used in the net present value calculation is relatively generous. Both of these reduce the affordable debt level to be settled, which would otherwise be quite high if based on current rent policies and expenditure allowances.
- A13. An increased depreciation payment, from revenue towards capital funding, will be required. This is intended to cover average annual replacement costs of the various dwelling elements as they come up for renewal in future, although will not cover backlogs. Following ongoing advice/consultation with CIPFA, CLG have indicated that LA's will have a five-year transitional period available to move towards using a component replacement costs methodology.
- A14. CIPFA's technical advice on this matter is not yet finalised, but currently broadly favours the component-based approach. During this period as a concession authorities would be allowed to adjust depreciation to an 'enhanced' Major Repairs Allowance level in the self-financing valuation if it helps affordability – though this is a risk for Southwark as this figure is potentially higher than a "pure" component-based one.
- A15. In February 2011, the government released indicative figures regarding the level of debt adjustments likely to be required in order to prepare each local housing authority for self-financing from April 2012. As the first column below notes, for Southwark this indicated a reduction in debt from £775.0m to £500.9m, a movement of £274.1m. Officers modelled the likely reduction in debt charges associated with servicing this lower level of debt and offset the subsidy lost by the ending of the old system.
- A16. On 21 November 2011, revised figures were issued, and the debt reduction offered in settlement by government was itself reduced, from £274.1m to £195.2m. Government are now only prepared to write down Southwark's debt to a level of £578.7m, instead of the £500.9m originally proposed. Alongside other changes, this means that the council will be expected to bear an average debt per dwelling of £14,901, as opposed to the original figure of £12,735.

|   | <b>Feb 2011</b>  | <b>Nov 2011</b>  | <b>Change</b> |
|---|------------------|------------------|---------------|
| Stock (CLG debt model)                  | 39,337           | 38,839           | (498)         |
| Allowance uplift                        | 17.8%            | 16.0%            | (1.8%)        |
| Subsidy Capital Financing Requirement   | £775.0m          | £773.9m          | (£1.1m)       |
| Self-Financing Opening Debt (see below) | £500.9m          | £578.7m          | £77.8m        |
| <b>Debt redemption</b>                  | <b>(£274.1m)</b> | <b>(£195.2m)</b> | <b>£78.9m</b> |
| Debt Cap                                | £500.9m          | £580.9m          | £80.0m        |
| Debt per dwelling                       | £12,735          | £14,901          | £2,166        |

- A17. The total debt that government assume Southwark can self-finance is made up of the following elements (each is a net present value calculation over the 30-year life-span of the HRA business plan under self-financing). Government assumptions as to the council's total rent debit have fallen by £41m, whilst allowances have also been reduced by £118.7m, leading to a net increase in debt levels of £77.8m.

|  | Feb 2011<br>£m | Nov 2011<br>£m | Change<br>£m |
|--|----------------|----------------|--------------|
| Guideline Rent                           | 2,840.3        | 2,799.4        | (40.9)       |
| Management & Maintenance Allowances      | (1,659.1)      | (1,589.2)      | 69.9         |
| Major Repairs Allowance                  | (663.3)        | (626.4)        | 36.9         |
| Premia/Debt Management Expenses          | (17.0)         | (5.1)          | 11.9         |
| <b>Total Self-Financing Opening Debt</b> | <b>500.9</b>   | <b>578.7</b>   | <b>77.8</b>  |

- A18. Where authorities have repaid part of their supported HRA debt in the past they will be allowed to prudentially borrow up to a cap set at the accumulated supported borrowing level. Southwark has scope to borrow up to £125.9m within its cap but only if resources can be found to meet the additional debt charges (which average 11% per annum; e.g. £10m equals £1.1m revenue charges).
- A19. Rent restructuring will continue, so rents will be expected to rise by RPI + 0.5% each year plus the move to reach formula rent by 2015/16. Affordability caps and limits apply, so many individual rents will not converge until after 2015/16. Current estimates are that only 44% of rents will converge in that year, with a further 12% doing so in 2016/17. By 2010/21, the number converged will be around 80% of the total number of tenanted properties.
- A20. With rents linked in the long-term to RPI + 0.5% (and in the short term to around 2% above this), income should rise faster than costs and so the council can expect an improving financial position year-on-year. Once the newly self-financed HRA moves into surplus this could provide additional support for further capital investment.
- A21. Under the previous system, Southwark was in receipt of subsidy, but this was diminishing every year, and other things being equal, the council would move into a negative subsidy position in only a few years time – meaning a contribution to the national pot, not income from it. It is important therefore to measure the reaction to self-financing against this alternative outcome.

- A22. The table below sets out the opposite effects of the removal of subsidy and the reduction in debt charges on Southwark – the former is a fall in income of £26.0m from 2011/12, whilst the debt settlement figures outlined above will result in a reduction in expenditure on debt interest of £13.9m.

|                               | 2011/12<br>£m | 2012/13<br>£m | 2013/14<br>£m (est) | 2014/15<br>£m (est) |
|-------------------------------|---------------|---------------|---------------------|---------------------|
| Management Allowance          | (44.2)        |               |                     |                     |
| Maintenance Allowance         | (60.9)        |               |                     |                     |
| Major Repairs Allowance       | (38.8)        |               |                     |                     |
| Rent Clawback                 | 179.9         |               |                     |                     |
| Rent Caps & Limits            | (7.3)         |               |                     |                     |
| Debt Charge Subsidy           | (54.7)        |               |                     |                     |
| <b>Sub-Total Subsidy</b>      | <b>(26.0)</b> |               |                     |                     |
| Debt Interest                 | 44.9          | 31.0          | 31.4                | 31.4                |
| Debt Management Expenses      | 0.3           | 0.3           | 0.3                 | 0.3                 |
| Premia Repayments             | 0.9           | 0.3           | 0.2                 | –                   |
| Premia Contingency            | 1.2           | –             | –                   | –                   |
| Depreciation                  | 38.8          | 44.9          | 45.5                | 46.1                |
| <b>Sub-Total Debt Charges</b> | <b>86.1</b>   | <b>76.5</b>   | <b>77.4</b>         | <b>77.9</b>         |
| <b>Total</b>                  | <b>60.1</b>   | <b>76.5</b>   | <b>77.4</b>         | <b>77.9</b>         |
| Change from previous year     | –             | 16.4          | 0.9                 | 0.5                 |

- A23. September RPI at 5.6% has been factored into the figures noted above, and the debt settlement figures as revised by government have a material impact.
- A24. The settlement is based on the thirty-year future revenue position of the HRA. There is a worse revenue position at the start of the thirty years than at the end, because rent income is expected to increase faster than expenditure costs. Thus debt charges that may be affordable towards the middle and end of the thirty years may not be supportable at the beginning, when rent levels are some way below formula.
- A25. Whilst the debt levels from April 2012 will be based on the future revenue surplus, the actual external loans making up the debt from April 2012 will be a proportion of existing historic debt and hence local average actual interest rates will continue. Southwark has a large element of debt borrowed in the 1970's at over 9% interest and has an average interest rate of nearly 7% – this is above the 6.5% assumed in the settlement as affordable, and will not change in the short-term.
- A26. Self-financing requires us to adopt a component-based approach to calculating depreciation within the HRA. The required level of depreciation (a charge to revenue, transferred to capital funding) has a significant cost implication. The new level must either be at an enhanced Major Repairs Allowance level 12.1% above that used for the stock in 2011/12 on a transitional basis or at the detailed total annual average cost of replacing all building elements. However, a depreciation charge higher than the old Major Repairs Allowance, whilst creating revenue cost pressure will provide extra capital funding.

- A27. A further complication is that self-financing requires an expansion of the asset base to be depreciated, as the previously used MRA proxy figure relates to the dwelling stock only, and not any non-dwellings, nor assets created or enhanced by adaptation for disability purposes. The depreciation charge of £44.9m calculated by the council using a componentisation method would be £6.1m greater than the current MRA for 2011/12 (a 16.0% increase year-on-year). The enhanced MRA method would result in a £9.6m year-on-year increase in the charge (24.7%). The table below summarises the three positions, current, component and enhanced:

| <b>Depreciation</b> | Current<br>2011/12<br>£m | Component<br>2012/13<br>£m | % over<br>2011/12<br>% | Enhanced<br>MRA 2012/13<br>£m | % over<br>2011/12<br>% |
|---------------------|--------------------------|----------------------------|------------------------|-------------------------------|------------------------|
| Stock               | 38.8                     | 39.9                       | 3.1%                   | 43.5                          | 12.1%                  |
| Adaptations         |                          | 3.1                        | –                      | 3.0                           | –                      |
| Non-Dwellings       |                          | 1.9                        | –                      | 1.9                           | –                      |
| <b>Total</b>        | <b>38.8</b>              | <b>44.9</b>                | <b>16.0%</b>           | <b>48.4</b>                   | <b>24.7%</b>           |
| Change from 2011/12 |                          | 6.1                        |                        | 9.6                           |                        |

- A28. The above factors make it likely that the Year One position under self-financing will be significantly worse than the last subsidy year, requiring substantial savings to balance the budget – at least in 2012/13. The revised projection is set out below:

|                              | February 2011<br>£m | November 2011<br>£m |
|------------------------------|---------------------|---------------------|
| Subsidy loss                 | 26.0                | 26.0                |
| Debt Charges reduction       | (17.3)              | (13.9)              |
| Reduction in premia payments | (1.7)               | (1.8)               |
| Increase in depreciation     | 6.2                 | 6.1                 |
| <b>Net Loss in 2012/13</b>   | <b>13.2</b>         | <b>16.4</b>         |

- A29. Future growth in rents is largely dependent on each September's Retail Price Index level. This can be volatile and can go down (e.g. in 2009 after a VAT reduction). Any future reduction in the September annual RPI would hit the following year's revenue position as uplifted costs might not be covered by rent income. Conversely, high increases in RPI, such as the 5.6% recently announced for September 2011, whilst benefiting the HRA can lead to high rent increases for tenants.
- A30. The risks listed above are more numerous than the benefits, but much of that risk is time-limited, being particularly relevant to the first few years of the self-financing arrangement. It is important not to lose sight of the intention that self-financing is designed to operate over a 30-year timeframe, and with that in mind ought to give far greater levels of stability and certainty to projecting social housing financing requirements for the future.
- A31. A further overarching point is that the emphasis is now on moves towards income stream maximisation within Southwark, as the thirty-year plan makes certain key assumptions regarding income levels from the outset of self-financing which would have exponential effects on the self-financed HRA's viability were it not to meet them, hence requiring strict adherence to the rent restructuring timetable for convergence by 2015/16.

## APPENDIX B

## RENT RESTRUCTURING CHRONOLOGY

|         |  |
|---------|--|
| 2002/03 | Rent restructuring commenced.<br>Convergence date set at 2011/12.  |
| 2003/04 | Tenant service charges unpooled from main rent.  |
| 2004/05 | <i>[no changes]</i>  |
| 2005/06 | Formal 3-year review of policy (implementation delayed by 1 year).   |
| 2006/07 | Restructuring formula amended.<br>Average rent increase capped at 5%   |
| 2007/08 | Average rent increase capped at 5% again.  |
| 2008/09 | Average rent increase capped at 7%.<br>Convergence date extended to 2016/17.   |
| 2009/10 | Convergence date extended to 2023/24.<br>Amending determination issued to reduce national average guideline rent increase from 6.2% to 3.1%. |
| 2010/11 | Convergence date reduced to 2012/13.   |
| 2011/12 | <i>[Original convergence date]</i><br>Convergence date extended to 2015/16.  |
| 2012/13 | Self-financing commences.  |



## APPENDIX C

## AVERAGE RENTS ACROSS LONDON BOROUGHES 2011/12

|                        | Average Rent<br>2011/12<br>£ | Target Rent<br>2011/12<br>£ | Average to<br>Target Gap<br>2011/12<br>% | Guideline<br>Rent<br>2012/13<br>£ | Target Rent<br>2012/13<br>£ |
|------------------------|------------------------------|-----------------------------|--|-----------------------------------|-----------------------------|
| Barking and Dagenham   | 79.19                        | 86.74                       | 8.7%                                     | 85.21                             | 91.60                       |
| Barnet                 | 88.39                        | 94.82                       | 7.3%                                     | 94.73                             | 100.61                      |
| Bexley                 | –                            | –                           | –  | –                                 | –                           |
| Brent                  | 95.02                        | 101.05                      | 6.0%                                     | 100.47                            | 107.47                      |
| Bromley                | –                            | –                           | –  | –                                 | –                           |
| Camden                 | 91.67                        | 106.50                      | 13.9%                                    | 101.52                            | 113.15                      |
| City of London         | 76.57                        | 96.41                       | 25.9%                                    | 97.65                             | 102.30                      |
| Croydon                | 89.84                        | 94.12                       | 4.8%                                     | 95.16                             | 99.88                       |
| Ealing                 | 85.90                        | 91.21                       | 5.8%                                     | 92.31                             | 96.83                       |
| Enfield                | 86.51                        | 89.39                       | 3.2%                                     | 90.75                             | 95.01                       |
| Greenwich              | 86.68                        | 90.71                       | 4.4%                                     | 91.47                             | 96.48                       |
| Hackney                | 85.00                        | 88.80                       | 4.3%                                     | 89.30                             | 94.27                       |
| Hammersmith and Fulham | 92.23                        | 103.04                      | 11.7%                                    | 99.46                             | 109.17                      |
| Haringey               | 87.49                        | 94.14                       | 7.1%                                     | 94.57                             | 99.90                       |
| Harrow                 | 95.57                        | 98.01                       | 2.5%                                     | 99.59                             | 104.15                      |
| Havering               | 74.92                        | 85.57                       | 12.4%                                    | 82.69                             | 90.86                       |
| Hillingdon             | 95.24                        | 96.52                       | 1.3%                                     | 98.02                             | 102.43                      |
| Hounslow               | 89.96                        | 92.29                       | 2.5%                                     | 89.95                             | 97.93                       |
| Islington              | 91.66                        | 101.93                      | 10.1%                                    | 99.49                             | 108.23                      |
| Kensington and Chelsea | 98.84                        | 113.54                      | 12.9%                                    | 107.31                            | 120.48                      |
| Kingston-upon-Thames   | 96.37                        | 99.66                       | 3.4%                                     | 101.37                            | 105.76                      |
| Lambeth                | 91.20                        | 96.26                       | 5.3%                                     | 96.85                             | 102.11                      |
| Lewisham               | 81.70                        | 85.72                       | 4.7%                                     | 85.84                             | 90.18                       |
| Merton                 | –                            | –                           | –  | –                                 | –                           |
| Newham                 | 82.41                        | 85.08                       | 3.1%                                     | 86.20                             | 90.89                       |
| Redbridge              | 89.25                        | 91.04                       | 2.0%                                     | 92.73                             | 96.80                       |
| Richmond-upon-Thames   | –                            | –                           | –  | –                                 | –                           |
| <b>Southwark</b>       | <b>86.31</b>                 | <b>95.63</b>                | <b>9.7%</b>                              | <b>93.12</b>                      | <b>101.52</b>               |
| Sutton                 | 87.08                        | 94.69                       | 8.0%                                     | 94.26                             | 100.60                      |
| Tower Hamlets          | 92.27                        | 98.35                       | 6.6%                                     | 97.29                             | 104.33                      |
| Waltham Forest         | 86.08                        | 90.64                       | 5.0%                                     | 91.75                             | 96.17                       |
| Wandsworth             | 112.78                       | 110.37                      | (2.2%)                                   | 111.27                            | 117.45                      |
| Westminster            | 104.49                       | 110.83                      | 5.7%                                     | 109.87                            | 117.50                      |
| <b>London Average</b>  | <b>88.92</b>                 | <b>95.94</b>                | <b>7.9%</b>                              | <b>94.48</b>                      | <b>101.61</b>               |

Source: Department for Communities and Local Government (CLG)

## Notes:

- Southwark's average rent (adjusted mid-year stock position) for 2011/12 ranks 9<sup>th</sup> lowest of the 29 London Boroughs that manage their housing stock either directly or via an ALMO.
- Average Rent figures exclude tenant service charges and in some instances are extrapolated from individual borough rent reports

**SOUTHWARK BUDGET PRINCIPLES**

1. At a time of unprecedented cuts proposed by central government, the 2011 Southwark budget should continue to prioritise the commitments made by the Cabinet at its first meeting as a new administration in June and its vision to create a fairer future for all by promoting social and economic equality in an economically vibrant borough.
2. We recognise that some services currently provided by the council may be lost, and some may change. However, we will do all that we can to protect our front-line services and support our most vulnerable residents.
3. We will ensure that the services which the council delivers provide value for money, value for council tax payers and contribute towards delivering our vision of creating a fairer future for all in Southwark.
4. We will explore alternative ways of providing a service prior to proposing any cut or reduction. This will include talking to partner organisations, the voluntary sector, the trade unions, the business community and other local authorities.
5. We will be transparent with any specific group or groups of users who may be affected by any cut or reduction in service provision as soon as possible and explore with them other ways to provide the service. We will conduct an equalities impact assessment for our budget proposals.
6. Before proposing any cut or reduction we will have a clear and comprehensive explanation for why that service should be cut, reduced or no longer provided by the council, and this explanation should be capable of being subject to robust challenge.
7. Budget proposals should be based on a three year approach and should have regard to innovative ways of providing services and maintaining employment in the borough.

*Agreed by Cabinet on 21 September 2010*

**A Fairer Future for All**

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

*Agreed by Council Assembly on 6 July 2011*

## APPENDIX E

## HRA INDICATIVE BUDGET MOVEMENTS 2011/12 TO 2012/13

|  | Paragraphs | £m         |
|--|------------|------------|
| <b>Commitments/ Unavoidable Demands:</b>     |            |            |
| Self-Financing (net)                         | 40, A22    | 10.3       |
| Depreciation (MRA) replacement               | 41, A27    | 6.1        |
| General Inflation                            | 42         | 1.4        |
| Commitments                                  | 43         | 2.3        |
| Leaseholder Service Charges                  | 47         | 1.8        |
| Gross Deficit/ (Surplus)                     |            | 21.9       |
| <b>Rents and Charges:</b>                    |            |            |
| Guideline Rent Increase                      | 12 – 22    | (15.3)     |
| Tenant Service Charges                       | 24         | (0.0)      |
| Non-Dwelling Rents (Garages)                 | 25 – 28    | (0.2)      |
| Sub-total                                    |            | (15.5)     |
| <b>NET DEFICIT BEFORE EFFICIENCY SAVINGS</b> |            | <b>6.4</b> |
| <b>Proposed Efficiency Savings:</b>          |            |            |
| Savings required to meet net deficit         | 48 – 49    | (6.4)      |
| Sub-total                                    |            | (6.4)      |
| <b>NET DEFICIT / (SURPLUS)</b>               |            | <b>0.0</b> |

## HOUSING REVENUE ACCOUNT REVISED BASE BUDGET 2011/12

|  | <b>Revised<br/>Base Budget<br/>2011/12</b> |
|--|--|
|  | <b>£m</b>                                  |
| <b>Expenditure:</b>                          |  |
| Employees                                    | 30.3                                       |
| Running Costs                                | 23.0                                       |
| Thames Water Charges                         | 11.1                                       |
| Contingency Reserve                          | 1.5  |
| Contribution to Reserves                     | 2.0  |
| Grounds Maintenance & Estate Cleaning        | 14.4                                       |
| Responsive Repairs & Heating Repairs         | 47.7                                       |
| Revenue Contribution to Investment Programme | 7.4  |
| Regeneration Landlord Commitments            | 7.4  |
| Planned Maintenance                          | 7.8  |
| Service Level Agreements                     | 5.5  |
| Corporate Support Costs                      | 14.4                                       |
| Asset Rents (Debt Charges)                   | 86.2                                       |
| Co-Op's, TMO's etc.                          | 2.6  |
| Heating Account                              | 12.2                                       |
| <b>Sub-total</b>                             | <b>273.5</b>                               |
| <b>Income:</b>                               |  |
| Rents – Dwellings                            | (165.7)                                    |
| Rents – Non Dwellings                        | (4.5)                                      |
| Heating/Hot Water Charges                    | (9.5)                                      |
| Tenant Service Charges                       | (12.5)                                     |
| Thames Water Charges                         | (10.9)                                     |
| Commission Receivable                        | (2.5)                                      |
| Leaseholders – Major Works                   | (9.7)                                      |
| Leaseholders – Service Charges               | (16.6)                                     |
| Housing Subsidy & Grants                     | (26.3)                                     |
| Interest on Balances                         | (0.3)                                      |
| Commercial Property Rents                    | (6.7)                                      |
| Fees & Charges                               | (1.4)                                      |
| Capitalisation (Repairs)                     | (6.1)                                      |
| Recharges                                    | (0.8)                                      |
| <b>Sub-total</b>                             | <b>(273.5)</b>                             |
| <b>TOTAL</b>                                 | <b>0.0</b>                                 |

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>12.             | <b>Classification:</b><br>Open | <b>Date:</b><br>13 December 2011   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Southwark Council's Approach to Equality<br>- Delivering a Fairer Future for All |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All  |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Abdul Mohamed, Equalities and<br>Community Engagement                 |                                 |

## **FOREWORD - COUNCILLOR ABDUL MOHAMED, CABINET MEMBER FOR EQUALITIES AND COMMUNITY ENGAGEMENT**

The diversity of our community is one of our most valued assets. Strong communities will thrive and prosper if individuals and groups are treated fairly and with respect, and given access to the services they need. Our aim is to provide opportunities to Southwark's residents, businesses and organisations to fully engage in the community. We understand that for equality to be achieved it must be something that everyone understands and feels able to contribute to. We will ensure that residents are involved in making our services more accessible.

The Council is guided by a number of fairer future principles - listening to local people, seeking to protect our most vulnerable residents and helping people to lead independent and fulfilling lives. We are a Council that tries to treat people just as we would members of our own family.

Whilst it is no longer a legal duty for the Council to produce an equality scheme, we think that producing an approach will help ensure consistency in delivery of equality across the organisation.

The new approach will set out what you can expect from the Council and what the Council will commit to doing. A number of councils have indicated that they will implement the socio-economic duty regardless of the government's decision. We want to join these councils. As part of the development of the Council's new approach to equality and human rights, our fairer future vision will act as the key means of delivering the aim of the socioeconomic duty.

## **RECOMMENDATIONS**

1. Further to previous briefings, Cabinet notes the requirements of the Equality Act 2010 and the Public Sector Equality Duty 2011 (paragraphs 7-9).
2. That Cabinet agrees Southwark Council's Approach to Equality (see Appendix A).

## **BACKGROUND INFORMATION**

3. There are three key drivers for reviewing our approach to equality. These are:
  - Delivering on the Council's ambition for a fairer future for all.

- A change in legal requirements for public sector organisations.
  - Opportunity to take a pragmatic approach, where all activity directly contributes to improved outcomes and services.
4. Equality is central to the Council's fairer future vision. The fairer future principles set out how the Council will work towards realising the borough's vision and achieving its promises. The fairer future principles are: *being more transparent, creating a fairer borough, making Southwark a place to be proud of, realising potential, spending money as we would our own and transforming public services.*
  5. The Cabinet is committed to an open and transparent budget setting process following the budget principles outlined last year. One of these principles was to "limit the impact of its budget on the most vulnerable and to being transparent with any specific group or groups of users who may be affected by any cut or reduction in service provision, and to conduct an equalities impact assessment of budget proposals."
  6. During March to October of this year work has been undertaken to:
    - Work closely with departments to review existing processes around equality.
    - Consider the Council's legislative requirements and look at good practice.
    - Review the Council's existing policies.
    - Engage with key stakeholders such as the trade unions, staff equality groups, the Equality and Diversity Panel and the Forum for Equality and Human Rights in Southwark (FEHRS) and consult residents.

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

7. There have been a number of changes to the legislative requirements for the Council. In October 2010 the majority of the new Equality Act came into force. This consolidates the numerous acts and regulations that form the basis of anti-discrimination law, all in one single act. The Act introduces nine protected characteristics - age, disability, gender reassignment, marriage and civil Partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
8. A public sector Equality Duty (PSED) (section 149 of the Equality Act) came into force in April 2011. The public sector Equality Duty requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. Under the PSED, a public authority must, in the exercise of its functions, have due regard to the need to;
  - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

9. Section 153 of the Act gives the government a power to impose “specific duties” on certain public bodies to help them perform the Equality Duty more effectively. The specific duties are now in force. They came into effect on the 10 September 2010. The specific duties require public bodies to publish:
- information to demonstrate their compliance with the Equality Duty – including information relating to their employees (for authorities with 150 or more staff) and others affected by their policies and practices, such as service users by 31 January 2012 and then at least annually, and
  - equality objectives, by 6 April 2012 and then at least every four years.
10. With the exception of schools, public authorities will be required to publish relevant information demonstrating their compliance by 31 January 2012, and their first equality objectives by 6 April 2012. Schools will be required to publish both their information and their equality objectives by 6 April 2012.
11. Following a period of consultation, including an on-line questionnaire on the Council’s website and workshops with FEHRS, staff interest groups and departmental policy leads, a proposed approach has been developed (see appendix A). It is intended to meet the drivers set out in paragraph 3. Specific points to note are set out below:

### **Equality objectives**

12. In line with the requirements of the specific duty to set equality objectives, it is proposed that equality objectives are set as part of the Council’s business planning processes. By aligning with the business planning processes, equality objectives can be considered at the same time as other performance measures ensuring that they are mainstreamed into the Council’s business. This will then form part of the existing Council Plan performance cycle.

### **Equality information**

13. In line with the requirements of the specific duty to publish information, it is proposed that we publish equality information annually, including information on the diversity of our workforce (the latter are broadly the same as current requirements).

### **Equality analysis**

14. It is proposed that “equality analysis” is undertaken, as it aids business delivery and is an effective way of demonstrating due regard to the public sector Equality Duty. It is also recommended by the Equality and Human Rights Commission. Equality analysis would replace the current equality impact assessment process.
15. It is proposed that equality analysis is embedded into the departmental and service business planning processes; this will also help inform the setting of equality objectives.
16. We will also undertake equality analysis when making decisions, using the equality analysis undertaken for departmental and service planning, and supplementing where required. The Council operates a “by exception” scheme of management by which all matters are formally delegated to the relevant Strategic Director and/or Divisional Service Manager unless they are specifically reserved



to the Council, the Cabinet, another of its Committees or to Individual Decision Makers. These arrangements are set out in the Council's Constitution. We will evidence the equality analysis undertaken in reports relating to these decisions, including considering ways in which the impacts of decisions can be mitigated.

### **Engaging with the community**

17. The Council will continue to maintain a commitment to consult with the community around equality issues, including appropriate and proportionate consultation to aid analysis of equality impacts.
18. This would also include a role for FEHRS, the Council's "critical friend". FEHRS will provide appropriate challenge to ensure that our policies are as fair as possible and will signpost the Council to different equality organisations. It is also proposed that FEHRS coordinate a panel to provide a specific external critical friend role around the Council's meeting of the PSED. This strategic role would also replace the current process around the Equality and Diversity Panel, which has largely focused on giving feedback on individual equality impact assessments.

### **Employment**

19. The new approach to equality affirms the Council's commitment to developing and implementing strategies that ensure equal access to recruitment, training, career development, promotion and retention and to fair treatment in the application of the disciplinary procedure.

### **Human rights**

20. The Humans Rights Act (HRA) 1998 aims to give greater effect to rights and freedoms guaranteed under the European Convention on Human Rights (the Convention). We will comply with the HRA when providing services or making decisions that have a decisive impact upon anyone's human rights.

### **Socio-economic disadvantage**

21. Clause one of the Equality Bill was not implemented. It focused on tackling socio-economic disadvantage. It was not intended to create any private rights, but focused at the strategic level. The Council Plan will act as the key means of delivering the aim of the socio-economic duty, with Southwark Council's approach to regeneration being central to this.

### **Implementation and review**

22. The approach to equality will be taken forward in a number of ways:
  - The new approach will be communicated internally and externally.
  - Work will be undertaken to publish the equality information by 31 January 2012 and set equality objectives by 6 April 2012.
  - Training will be updated/developed for staff and Councillors.

- An equality tool-kit will be developed for managers to support them in delivering the approach.
- We will continue to work with the Council's 'critical friend' and other key stakeholders.
- The approach will be reviewed alongside future reviews of the Council Plan and/or when the Council's legislative requirements change.

### **Community impact statement**

23. Southwark's Council's Approach to Equality replaces the Council's Equalities and Human Rights Scheme 2008 to 2011. The Approach to Equality explains how the Council is working towards a Southwark that is tolerant, diverse and fair for all. It sets out what the public can expect from the Council, what the Government expects of us, and what the Council is committed to doing. It explains our approach to advance equality of opportunity in the borough by making equality part of our day-to-day business – including how the Council will use equality analysis to generate insight and understand the effects of its decisions on different groups. Equality analysis will help the Council consider if there are any unintended consequences for some groups and if the policy will be fully effective for all target groups.
24. The move from an Equalities Scheme to an Equality Approach and from carrying out equality impact assessments to equalities analysis is a change in terms but not a change in the level of commitment to equality in Southwark. We are acting in accordance with best practice and guidance from the Equalities & Human Rights Commission and continue to incorporate consideration of the impact our policies and decisions have on the protected characteristics (race, sex, disability, age, religion or belief, sexual orientation, pregnancy & maternity, gender reassignment and marriage & civil partnership) into our processes.

### **Resource implications**

25. Any costs relating to the execution of the recommendations within this report, which mainly impact on officer time, will be contained within existing resources.

### **Consultation**

26. Consultation has been undertaken on the proposed approach through an on-line questionnaire on the Council's website, workshops with FEHRS, staff interest groups and departmental policy leads.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

27. The Strategic Director of Communities, Law & Governance (acting through the employment section) notes the content of the report.
28. This is a decision that can be made by the Cabinet in accordance with part 3B (7 & 19) of our constitution :

- (7) To promote Human Rights, equality of opportunity and the interests and particular needs of all those who experience discrimination or disadvantage by virtue of their race, gender, disability, sexuality or age
  - (19) To have responsibility for all equality and diversity matters concerning both employment policy and practices and service delivery and the active promotion of the council's policies.
29. The report sets out the relevant legislation with regard to the Equality Act 2010 at paragraphs 7 to 9. The Equality Act does not require us to produce an equalities scheme but it is good practice to have a scheme/approach in place and goes some way to show Southwark's commitment to meeting our section 149 duty referred to in paragraph 8 of the report.
30. The duty requires us to have due regard to in our decision making processes to the need to :
- (a) Eliminate discrimination, harassment, victimisation or any other conduct that is prohibited by or under the act;
  - (b) Advance of equality of opportunity between persons who share a relevant protected characteristic and those who do not
  - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
31. Moving from equality impact assessments to equality Analysis is a further example of good practice. Carrying out an equalities analysis assists the council to demonstrate how we have met the duty to have due regard
32. As a public authority we must also consider the impact our policies, practices and decisions have on our community's human rights. We must act in a way which is compatible with the Human Rights Act 1998. Paragraph 20 of the report notes our continued commitment to comply with the Human Rights Act.

### **Finance Director**

33. The finance director notes the recommendations to prepare and embed equality and human rights objectives into everyday council business, to ensure these are part of business planning processes and that these obligations can be achieved within existing resources. There is a continued requirement that, within the Council's annual budget setting framework, equalities impact assessments are prepared to ensure any budget decisions reflect the Council's commitments around equalities and human rights. The Cabinet is committed to an open and transparent budget setting process following the budget principles outlined last year. One of these principles was to "limit the impact of its budget on the most vulnerable and to being transparent with any specific group or groups of users who may be affected by any cut or reduction in service provision, and to conduct an equalities impact assessment of budget proposals."

**BACKGROUND DOCUMENTS**

| Background Papers | Held At | Contact |
|-------------------|---------|---------|
| None              |         |         |

**APPENDICES**

| No.        | Title   |
|------------|---|
| Appendix A | Southwark Council's Approach to Equality - Delivering a Fairer Future for All |

**AUDIT TRAIL**

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Abdul Mohamed, Equalities and Community Engagement |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Deputy Chief Executive                         |                          |
| <b>Report Author</b>  | Claire Webb, Policy and Equalities Manager                    |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 1 December 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>                    | 1 December 2011   |                          |



Southwark Council's  
approach to equality  
- delivering a fairer future for all

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## FOREWORD

### **Councillor Abdul Mohamed, Cabinet Member for Equalities and Community Engagement**



The diversity of our community is one of our most valued assets. Strong communities will thrive and prosper if individuals and groups are treated fairly and with respect, and given access to the services they need. Our aim is to provide opportunities to Southwark's residents, businesses and organisations to fully engage in the community. We understand that for equality to be achieved it must be something that everyone understands and feels

able to contribute to. We will ensure that residents are involved in making our services more accessible.

The council is guided by a number of fairer future principles - listening to local people, seeking to protect our most vulnerable residents and helping people to lead independent and fulfilling lives. We are a council that tries to treat people just as we would members of our own family.

Whilst it is no longer a legal duty for the council to produce an equality scheme, we think that producing an approach will help ensure consistency in delivery of equality across the organisation. The new approach will set out what you can expect from the council and what the council will commit to doing.

By working together, we will bring the knowledge, skills and creativity needed to solve many of the major problems we are facing. We have a long-term vision of a borough where everyone can take advantage of the opportunities that come from being in the heart of London.

The council's approach to making regeneration work for the people of Southwark is central to this: through our engagement with businesses and driving a commitment to local employment; supporting local people to compete for jobs; ensuring our land use and town centres are sustainable and diverse, supporting local employment; and that our policies and strategies create opportunities across the borough.

Although the socio-economic duty part of the Equality Act 2010 was not implemented by the government, our fairer future vision will act as the key driver for tackling socio-economic disadvantage.

There is real strength in our local communities. Southwark is a borough where people are proud to say they get on well together. By placing fairness at the centre of everything we do, by promoting equality of opportunity and by celebrating diversity and community cohesion we can help to build a fairer future for all.

## **1. Introduction**

This approach explains how the council is working towards a Southwark that is tolerant, diverse and fair for all. It sets out what you can expect from the council, what the Government expects of us, and what the council is committed to doing. It explains our approach to advance equality of opportunity in the borough by making equality part of our day-to-day business.

## **2. Equality at the heart of a fairer future**

By placing equality at the heart of our fairer future vision, we will:

- Improve the quality of life for Southwark's people through better access to services and creating sustainable mixed communities with opportunities for local people that come from being in the heart of London.
- Improve social cohesion by promoting positive relationships and a sense of community and belonging, by reducing fear and tensions, and encouraging civic responsibility so that the contributions individuals and groups make to their communities are properly valued.
- Promote people's rights and responsibilities. We will do this by ensuring that the council does all it should in providing leadership and by encouraging its partners to do likewise. We will act to protect the rights of those who live in Southwark by ensuring that abuse; mistreatment or discrimination is identified and dealt with.
- Ensuring we have a workforce that understands and is committed to achieving these goals and retains the confidence of our local communities.

## **3. What are we required to do by law?**

### **The Equality Act 2010**

The Equality Act was introduced in October 2010. It replaces and extends all previous equality legislation into one overarching act. The Equality Act 2010 outlines a number of "protected characteristics", which are the groups of people or communities where the government feels that discrimination or unfair treatment could arise. As an organisation delivering services to a diverse community we think it makes good sense for us to consider these protected characteristics when delivering our services.



**Protected characteristics<sup>1</sup>**

|                                       |  |
|---------------------------------------|--|
| <b>Age</b>                            | A person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18-30 year olds).  |
| <b>Disability</b>                     | A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.   |
| <b>Gender reassignment</b>            | The process of transitioning from one gender to another.   |
| <b>Marriage and civil partnership</b> | Marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters.   |
| <b>Pregnancy and maternity</b>        | Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding. |
| <b>Race</b>                           | A group of people defined by their race, colour and nationality (including citizenship) ethnic or national origins.  |
| <b>Religion and belief</b>            | Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.   |
| <b>Sex</b>                            | A man or a woman.  |
| <b>Sexual orientation</b>             | Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.  |

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<sup>1</sup> Definitions from the Equalities and Human Rights Commission

## **The Public Sector Equality Duty**

The Equality Act 2010 has a Public Sector Equality Duty (PSED). This consists of a “general duty” and a number of “specific duties”, which set out in more detail what the Council is expected to do to meet the “general duty”. Under the General Duty Southwark Council must in the exercise of its functions have due regard for the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act ;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

In practical terms this means:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

In addition the general duty there are also two specific duties:

- As a council we must prepare and publish equality objectives by 6 April 2012, and at least every four years after that. We must ensure that the objectives are specific and measurable, and set out how progress towards the objectives will be measured. We must also consider published equality information before preparing and publishing these objectives and publish the objectives in a reasonably accessible format either as an individual document or as part of another report.
- We must publish information to demonstrate compliance with the Equality Duty – including information relating to their employees (for authorities with 150 or more staff) and others affected by their policies and practices, such as service users by 31 January 2012 and then at least annually.

## **Humans Rights Act 1998**

As a council, we will believe that citizens can become stronger through the practice and respect of human rights with the belief that all citizens in Southwark are treated with fairness, respect, equality, dignity and autonomy. The Humans Rights Act 1998 aims to give greater effect to rights and freedoms guaranteed under the European Convention on Human Rights (the Convention). We will comply with the Human Rights Act when providing services or making decisions.

## 4. What can you expect from us?

This approach sets out how the council's ambitions for equality in Southwark will be delivered.

### **Approach 1 - Making equality and human rights part of everything we do and creating opportunities for local people and business**

Improving the quality of life for Southwark's people through better access to services and creating sustainable mixed communities with opportunities for local people that come from being in the heart of London, is part of core business.

We will integrate the consideration of equality and human rights into the day-to-day business. We believe that respect, understanding and celebrating and promoting difference is the duty of all our employees as it promotes a healthy and vibrant workforce.

We will consider how the council's services can affect different groups in different ways, to ensure they have the intended affect. We will ensure that the affects on equality are considered at an early enough stage to influence decision making, while also reducing the time spent on process.

As part of embedding equality in the day to day business of the council, objectives will be set as part of our business planning process such as our organisation-wide Council Plan and the business plans for our departments and the different services that sit underneath these (see below on equality objectives).

### **Approach 2 – Carrying out equality analysis**

**We will use equality analysis to generate insight and understand the effects of decisions on different groups.** Equality analysis will help the Council consider if there are any unintended consequences for some groups and if the policy will be fully effective for all target groups.

We will undertake equality analysis when putting together business plans for each of our departments and service areas. This will help improve service delivery, increase awareness and understanding of service users. This will form the basis of any additional equality analysis undertaken when making decisions.

We will also undertake equality analysis when making decisions, using the equality analysis undertaken for departmental and service planning and supplementing where required. The council operates a "by exception" scheme of management by which all matters are formally delegated to the relevant Strategic Director and/or Divisional Service Manager unless they are specifically reserved to the council, the Cabinet, another of its Committees or to Individual Decision Makers. These arrangements are set out in the Council's Constitution. We will evidence the equality analysis undertaken in reports relating to these decisions, including considering ways in which the impacts of decisions can be mitigated.

This approach to equality analysis will focus more on thinking about the effects of decisions on equality, and to ensure we deliver better and fairer services, with less time spent on process. By analysing and understanding the needs of our communities

we can make better informed decisions when developing new policies and delivering our services.

### **Approach 3 – Setting equality Objectives**

**The council will set equality objectives as part of its business planning process. The Council Plan is the council’s overarching business plan and this is supported by business plans for each of the council’s departments and the divisions that sit within each department.**

The Council Plan expresses those objectives which the council will work towards as a whole organisation. It will ensure that we meet local needs and set out what the council should report on, based on the views expressed by the people of Southwark.

The equality objectives we set through the Council Plan and departmental business plans will be measurable and specific and published on our website, so that the public can hold us to account on our progress.

### **Approach 4 – Engaging with the community**

**Working with the community is fundamental to what we do at Southwark and this is especially true in relation to equality and human rights.** We will ensure that we engage with the community through a wide range of channels; including with those that have an interest in key issues around equality and actively look for feedback on proposals where appropriate.

Central to our approach to equality is to understand our service users. When analysing the effects of our decisions we will use robust information to understand who uses our services and what effect potential changes are likely to have on them. This will include in some cases speaking directly with service users and undertaking surveys and research.

The council has commissioned a community organisation, Forum for Equality and Human Rights in Southwark (FEHRS) to act as a ‘critical friend’; to challenge the Council and help us to ensure that our policies are as fair as possible. We also encourage and engage with staff equality groups and trades unions who provide support to our staff and provide forums within the council.

### **Approach 5 – Being transparent and accessible**

**We will publish equality information in an open, transparent and easily accessible way.** Equality information will include data on our staff and our service users.

We will consider the types of personal information we collect and publish, taking into account transparency, people’s privacy and data protection rights. We will monitor information on the protected characteristics, whilst trying to be sensitive to the information that we are requesting. We will ensure that this information helps us to not only meet the general duty requirements but also to improve our services by better understanding the people for whom we are delivering services. With visible, regular

reporting on how we are getting on, residents will be able to review the council's progress in meeting our objectives and our legal requirements.

The council will publish annually a workforce report monitoring the workforce profile and the outcome of key management activities. This report will be used to reflect on equality outcomes in employment and where appropriate describe revised objectives for the year.

We are committed to making our website as accessible as possible, to the broadest range of people. We will work towards publishing all information to be easily accessible on our websites, and an easy to read/download format.

### **Approach 6 – Embedding into employment and training in the workforce**

People work best when they are free from discrimination and it is recognised that diversity contributes to a richer, creative and more productive work environment. **The council is committed to developing and implementing strategies that ensure equal access to recruitment, training, career development, promotion and retention and to fair treatment in the application of the disciplinary procedure.**

Equality legislation underpins the council's policies on employment and the management of its staff. The council has a long standing public commitment to equality in the workplace going back to the 1980s, which has been refreshed and updated to reflect changing legislation and expectations of a fair society.

As set out in the Staff Code of Conduct, each employee has a personal responsibility to comply with policy and promote equality of opportunity. The Council will help people to do this through training, managerial support and through our respect at work procedures which support a culture where diversity and individuality are valued as part of delivering a high quality service to the public.

In order to embed equality throughout Southwark Council, staff and councillors will receive training on equality and human rights. This not only makes the council work towards being tolerant, diverse and fair to all, but provides staff with an understanding of how the Equality Act 2010 protects staff and service users from unlawful discrimination. It will also equip staff and councillors with the knowledge they need to conduct equality analysis in policy development, service redesign, service delivery, employment practices and managing diversity.

We will provide toolkits for staff and councillors around how to implement this approach, to ensure that our policies are turned into practical actions and embedded in day to day business.

### **Approach 7 - Organisations providing services for us or on our behalf**

**We will embed equality and human rights considerations into our policies on commissioning and procurement.** This will ensure that relevant equality issues are taken into account when commissioning and that all functions carried out on behalf of the council (including by private bodies or voluntary organisations) show due regard to the council's obligations under the public sector Equality Duty.

As a minimum, we will ensure that within contract conditions, contractors:

- Are prohibited from unlawfully discriminating under the Equality Act 2010
- Take all reasonable steps to ensure that staff, suppliers and subcontractors meet the obligations under the Act.

## 5. Who is accountable for equality?

Every member and officer within the council has a role to play in delivering on this approach. These roles are set out below. Individual members of the community also have a role in working with us to foster an environment of mutual respect, in promoting good relations and helping to meet the aims of this approach.

| <b>Role</b>                                     | <b>Accountabilities</b>  |
|---|--|
| Cabinet member with responsibility for equality | To put in place and champion a framework for the council to meet its equality ambitions and duties.  |
| Council's Cabinet                               | To consider equality implications in its decision making and to advance equality outcomes in cabinet members' respective portfolio areas.  |
| Scrutiny function                               | To ensure appropriate checks and balance within the context of delivering the approach.  |
| All elected members                             | To play a community leadership role in promoting equality and challenging discrimination.  |
| Corporate Management Team                       | To provide strategic leadership for the organisation in delivering on the equality and human rights approach across the council and delivery within specific areas of responsibility.  |
| Senior managers                                 | To promote awareness of this approach and for supporting learning and development opportunities to enable departments, services and business units and staff to support the implementation of this approach. Through business planning, all managers are responsible for developing and delivering on relevant equality objectives and in undertaking equality analysis as part of business planning and considering this when developing new policies, strategies or plans or making decisions about changes to services. |
| Individual staff                                | To comply with the requirements of the approach and apply the good practice learnt in their training and development opportunities.  |
| Contractors                                     | To comply with the General Duty as set out in the Equality Act 2010.   |

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>13.             | <b>Classification:</b><br>Open | <b>Date:</b><br>13 December 2011                       | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Changes to Delivery Arrangements for the Youth Service |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All  |                                 |
| <b>Cabinet member:</b>             |                                | Councillor Catherine McDonald, Children's Services     |                                 |

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

This report sets out proposals to change Southwark's youth service delivery arrangements, to create an improved service that better meets the needs of more of Southwark's young people.

When I took on the role of cabinet member for children's services, surveys said that more of Southwark's residents were dissatisfied with youth provision than with any other service. I also found that the existing youth service only reached around 14% of Southwark's teenagers – far below best practice, meaning many of Southwark's young people miss out. Some areas of our borough - such as East Dulwich, Nunhead and Peckham Rye, had very little or no council youth service-operated provision at all. Three of the four wards with the highest NEET levels have no Local Authority-run youth clubs. In addition, through this summer's "Community Conversations" residents told us that it was important to provide things for young people to do.

It is clear that the youth service needs to be improved. The council's aim is to create a service that better provides what young people want and need – to create a youth service that gives young people experiences that could, for some of them, be positively 'life-changing'.

The new delivery arrangements will provide a youth service that can help unlock young people's potential, by providing a variety of accessible, affordable, high quality, attractive and well-publicised activities that develop the aspirations and technical and relationship skills that they need to succeed in life. The youth service will work with young people – and their families – in a way that delivers social justice, tackles disadvantage and embraces and celebrates cultural diversity.

The new delivery arrangements will create a youth service that is fair, open to all; and best use of resources within a budget that was reduced due to cuts from central government. The new £2.2 million annual youth service budget is higher than the average council spend on youth services across the country. The new arrangements will mean front-line staff will be able to concentrate on what they are good at and trained to do – providing quality youth work.

Young people have already had input to these proposals, through a series of focus groups in youth groups and schools. In line with the council's aim to give increased power over the youth service budget to young people by 2014, young people will continue to have an active voice – through design and commissioning decisions.

The delivery of a high quality youth service is an important part of this council's

commitment to young people, which includes a £3 million, three year Youth Fund to help young people stay in education and get a job.

## **RECOMMENDATION**

1. That cabinet agrees to the development of new delivery arrangements for the youth service in accordance with the design principles set out in Appendix 1 from April 2012 in order to create a better and more cost effective service with the aim of reaching 25% of young people in the borough aged 13 to 19 years. This new model will also achieve a saving of £1.5m, as agreed by Council Assembly.

## **BACKGROUND INFORMATION**

### **Local policy framework**

2. The delivery of youth services is guided by the Children and Young People's Plan (CYPP) priority 'Improving the quality, suitability and range of activities for children and young people'. This commits children's trust partners to commission services which enable more children and young people to play, volunteer, participate and be active in Southwark. This includes more young people shaping services, being part of their community and participating in the decisions that affect their lives, with those who are vulnerable provided with the support and opportunities they need to realise their potential.
3. This vision is embedded in the department's Council Plan objectives, which seek to enable young people to make the best start in life, and the council's commitment to give young people real power over 20% of the youth service budget by 2014, as set out in the June 2010 cabinet paper 'A Fairer Future for All in Southwark'. These objectives seek to improve the outcomes young people experience and make better use of money. For the financial year 2011/12, young people have been involved in commissioning decisions as well as being responsible for distinctive budgets for Southwark Youth Council and youth community councils, which collectively represent approximately 25% of the youth budget.

### **Case for change**

4. In its last inspection of local youth services in 2008, Ofsted recognised the good-quality local facilities to engage young people in sports, arts and media. It also noted the good range of activities to engage a wide range of young people, including those with disabilities, and that provision recognised and promoted the borough's diversity. The inspectorate, however, highlighted the need to improve: the monitoring and support arrangements for voluntary organisations; the quality and condition of some accommodation; and the use of needs analysis in driving planning choices and leading to the most effective use of resources.
5. Resident feedback on council services also indicated that there was room for improvement. In the 2008 resident survey, the most important priority to 'get right' was facilities for youth services. This feedback is complemented by the views of children and young people, who consistently say their top priorities are the provision of targeted work for the most vulnerable young people alongside high-quality, universally available youth provision.
6. In 2010/2011 the youth service in the borough reached 14% of young people in the borough within the youth service age range of 13 to 19 years of age. This is set against a national bench mark where youth services are expected to reach 25% of



young people aged 13 to 19 years of age. It is hoped that the new model of delivery will ensure this bench mark is achievable.

7. For the youth service to achieve a redesigned service in accordance with the design principles (attached at Appendix 1) and budget reductions agreed by Council Assembly, it will be required to:
  - a. Reduce staffing from 55 full-time equivalents to 33 full-time equivalents including the deletion of five vacant full-time equivalent posts
  - b. Decommission facilities and activities that are not high quality, fit for purpose or meeting need
  - c. Move voluntary sector provision to new commissioning arrangements which maximise the sector's expertise, increase value for money and reduce duplication.

### **Budget reductions**

8. On 13 December 2010, the Secretary of State for Communities and Local Government announced the 2011/12 and 2012/13 provisional local government settlement. It set out that Southwark would experience a 11.3% reduction in funding for 2011/12, which means a loss of formula grant in cash terms of £29.7m from April 2011, and a further £17.2m in 2012/13 (a 7.4% reduction).
9. In this context, Council Assembly agreed the council's three-year policy and resources strategy on 22 February 2011, including required savings across the council. For children's services, this amounted to some £5.8m in 2011/12, with further indicative savings of £6.1m in 2012/13 and £6.1m in 2013/14, making a total of £18m over 2011-14 in addition to the loss of a number of grant funding streams.
10. One of the proposals agreed to achieve these budget reductions included savings of £1.5m through a restructure of the youth service. This requires the council to think differently about how it provides services, to ensure limited resources are put to best use and have the biggest positive impact on young people's opportunities.

### **Consultation to develop new delivery arrangements**

11. The youth service has carried out wide-ranging consultations and needs analysis to support the development of new delivery arrangements. This included a workshop independently facilitated by the National Youth Agency (NYA) for young people, staff, members and providers which looked at what the service might look like.
12. The workshop found positive support for doing things differently, with participants recognising that what is currently on offer might not always be meeting need or providing the best value for money. Participants also highlighted that there were many examples of quality youth provision in the borough, and strongly supported the view that any new model must build on these. One outcome of the workshop was a set of design principles to frame the reconfiguration, as shown in appendix 1.
13. Young people and staff were further consulted in relation to these design principles, and their feedback supported the findings of the NYA workshop. For example, the majority of respondents said:
  - a. The service cannot continue providing all the same services within reduced resources – particularly where the services are unpopular or low value for money

- b. Support and activities must be based on the needs of young people
- c. Young people who need and want support should get it, but this should not necessarily be delivered in the same way for all
- d. Existing services, facilities and buildings should be assessed to determine what best meets the needs of local young people, with funding for underused or poor-condition facilities stopped
- e. Funding should be distributed to organisations which are effective, not necessarily those commissioned historically

## **KEY ISSUES FOR CONSIDERATION**

### **The new delivery arrangements**

14. Working with the outcomes of the consultations and needs analysis, it is proposed that the youth service is restructured with the following key features:
  - a. Arranged around locality hubs, which maximise the use of existing quality provision and have 'spokes' of detached workers reaching out to engage young people, particularly those who are vulnerable
  - b. Provide a redesigned offer of universal and targeted activities, which are higher quality and more suited to meeting young people's needs
  - c. Be delivered by a mix of council and voluntary sector provision, each focused on what they do best
  - d. Be underpinned by robust needs analysis, and smarter commissioning and quality assurance processes
15. Following completion of appropriate reorganisation processes, it is proposed that the new model is operational from 1 April 2012.
16. The model is based on the premise of a locality hub acting as a quality central building around which all activity revolves. It will provide universal activities and additional support as well as being the base for 'spokes' of outreach workers who work in the surrounding streets and local communities to attract young people into the building. 'Spokes' are also other, smaller, community venues which are linked to the hub, as well as activities commissioned from voluntary groups which can either be provided in the building or be signposted to by workers in the hub. The central feature is that the hub is more than a building – it is the focus of the community and will be able to respond to local needs, such as commissioning at a hyper-local level.
17. The involvement of young people and communities in the redesign process will be crucial to its success. In line with the council's priority commitment, young people will continue to be responsible for approximately 20% of the youth services budget. In addition, the service plans to increase opportunities for young people to give direct feedback on what works and what they would like more of. This process will include Southwark Youth Council as well as community councils, so that local communities too can contribute their views on what services should be provided and where they should be located.
18. The new model will be underpinned by smarter commissioning and quality assurance processes to measure the impact of activity. The aim is to ensure that all activity meets a set of core council expectations, so that young people and their families can be assured that delivery will be at least good in all settings. In addition, the common assessment framework will underpin a coordinated approach, ensuring support is focused on the most vulnerable young people as well as supporting

closer working with partners including community safety, police and local communities.

### **Rationalising buildings and activities**

19. The range of activities available in each locality will be developed over the coming months based on further needs analysis and consultation with communities to ensure that the service offers more of what young people want, delivered in venues that they want to go to and operating at times that suit their needs. It is clear, however, from existing feedback and needs analysis that the offer needs to encompass universally available activities as well as targeted support for more vulnerable young people.
20. It is also recognised that this process will involve a rationalisation of both the current activities on offer, and the buildings from which they operate, in order to ensure that the council's limited resources are directed to maximum effect at areas of greatest need. Any decisions to end activities will be based on the needs analysis and consultation and will ensure young people are directed to a local suitable alternative.
21. In carrying out this rationalisation, the council will be guided by the views of stakeholders at the NYA workshop which highlighted maximising the use of 'spaces' in their widest definition, be they owned by the youth service, community organisations or other partners, such as schools. The underlying principle is for the service to focus on turning 'spaces' into 'places' that young people want to go to.
22. Other considerations are the condition of the buildings, where they are located, and how suitable they are to meeting the needs of local young people. The service currently operates ten buildings. It has invested in expanding the range of facilities, such as over £900k at the Belair Park Recreation Rooms and nearly £500k in Camberwell Baths youth wing, as well as securing additional funding to create a new facility at Success House. The Local Authority would aim to make maximum use of those facilities which are fit for purpose and require minimal capital investment.
23. Other buildings, however, are in poorer condition. A condition analysis estimates that bringing the estate up to acceptable condition within the next five years would cost in excess of £500k. This is a substantial investment which would require diverting revenue funding from providing positive activities in order to bring the buildings up to a minimum standard and maintain them. Any rationalisation will maximise the use of buildings that have received investment, minimise costs in bringing others up to standard, and ensure that the new offer is better quality and more suited to young people's needs and wants. The new commissioning model which will be informed by the needs analysis and input from young people will ensure equity of delivery points across the borough, with a full communications strategy in place ensuring young people know where all their local services are located.

### **A new relationship with the voluntary sector**

24. The arrangements recognise the different expertise of council and voluntary sector provision. Universal and specialist work will be provided directly by council staff, and the voluntary and community sector will be commissioned to provide targeted work and supplementary universal activity to ensure a comprehensive, borough-

wide offer. The council will remain accountable for ensuring the quality and range of all commissioned provision, in line with its strategic priorities.

25. Meetings have taken place with a selection of voluntary sector providers which have both endorsed the plan and assured the council that there is both the capacity and will within the sector to support the delivery of this new model. The allocation for commissioned provision, to be determined through the early intervention grant budget-setting process, will be a minimum of £500k in 2012/13. This will ensure the service retains sufficient resources to commission a full and varied programme, while also giving the voluntary sector time to adjust to a new delivery model.

### **A new staffing structure**

26. The new model hinges on enabling staff to concentrate on what they are good at and trained to do – providing quality youth work. The new structure, which is set out in Appendix 2, gives the service a clarity of focus, enabling it to provide a wide range of universally available activities as well as some specialist support.
27. In line with the council's budget principles, the service has worked to minimise the staff reductions needed to achieve the high level of savings and implement the new arrangements. It has also worked to minimise the impact on the front line. As a result, it proposes the deletion of 20 full-time equivalent posts, which include five vacant posts, four management posts, four administrative posts, three project co-ordinator posts, one caretaking post and three youth work posts. The new structure will ensure the council can deliver the best possible service to young people, with a high-quality, fit-for-purpose team which is focused on the needs of today's young people. This will mean workers delivering services where and when required as well as developing workers skills to deliver centre based, detached and outreach work. This will ensure a both a flexible staff team as well as a flexible delivery model. The new model will ensure a flexible approach with the development of multi-functional youth work teams who deliver services to the requirements of both young people and local communities.
28. Staff will be supported with a training programme, which will build on and enhance their skills in areas such as working with very vulnerable young people and dealing with challenging behaviour. No other council services are affected by this restructure.

### **Policy implications**

29. The new model of delivery will enable the council to meet its strategic objectives, as outlined in the CYPP, the Council Plan and the June 20101 cabinet paper 'A Fairer Future for All in Southwark', as well as to achieve the budget savings agreed by Council Assembly in February 2011.
30. The model will also strengthen voluntary sector delivery through the commissioning of high-quality universal youth work and targeted youth work ensuring the council is able to deliver the proposed outcomes set out in the report 'More for Children and Young People To Do – Children's Services (Education) Grants Commissioning Allocations 2009/2012 Year 3'.

### **Community impact statement**

31. The youth service strives to ensure that its support and activities are available equally to all sections of the community. As detailed above, there has been consultation with young people, staff and providers as well as a needs analysis. These stakeholders will be further consulted to ensure that no one section of the community will be disadvantaged by the implementation of the new arrangements. This will involve the youth council, youth community council and service users, as well as community councils and interested groups.
32. The youth service has a large proportion of ethnic minority staff currently employed, with 46% identifying themselves as black British. There is a fairly even split in gender, with 53% being male, while some 3% state they have a disability, and 48% are aged between 25 and 39. The impact of the reorganisation will be monitored and assessed as the reorganisation progresses in order to seek ways of minimising the staff reductions and to ensure that staff are treated equitably throughout the process.

### **Equality impact assessment**

33. It is estimated that there are around 19,700 young people aged 13 to 19 in Southwark, which represents 6.8% of the borough's population. According to ONS 2010 mid-population estimates, the split by gender is fairly even, with 51% male. The staff gender ratio and the offer of activities reflect this with a wide range of activities encompassing sport, media and arts, as recognised by Ofsted's last inspection.
34. The borough is diverse, with some 53% of young people identifying themselves as belonging to an ethnic minority group. This represents a higher percentage than the whole borough population, which stands at some 48%. The diversity in ethnicity is reflected in the profile of youth service staff, as noted above.
35. The needs analysis developed to support thinking about new delivery arrangements identified high levels of need – for example, according to the income deprivation affecting children index, over 20,000 children were estimated to be living in poverty in 2007. This equates to 42.3% of the child population, which is double the national average of 22.4%. By another similar measure, Southwark has the sixth-highest rate of children in families on key benefits in London.
36. There are also high levels of need among the borough's vulnerable young people. The local rates of teenage conceptions and young people not in education, employment or training (NEET), although falling, are higher than many similar boroughs. Analysis of the ethnicity of those who are NEET finds there is a much higher proportion of white British young people who are NEET than for the school population. For teenage conception rates, local mapping by postcode shows that some of the larger council estates with high rates of poverty and deprivation have particularly high rates. Teenage pregnancy levels are relatively high for black Caribbean, and mixed race ethnic groups. There are also differences in abortion patterns between different ethnic groups. The termination rate is highest among black African teenagers and lowest in the white British group.
37. Ofsted recognised that provision targeted at young people with disabilities is good, and that equality and diversity is well promoted by the service. According to the January 2011 school census, about a third of secondary pupils have an additional

need, in the form of school action, school action plus or a statement. This level is above similar boroughs.

38. As detailed above, the service has involved young people in assessing need and identifying how provision can be improved. This involvement will continue, and will include ensuring that any changes to the local offer of activities will include consideration of equalities issues.

### Finance implications

39. The new structure will be funded through children's services core budget, with grants commissioning funded through a proportion of the early intervention grant. It reflects the reduction in the council's budget over the next three years and the need to make significant savings to service costs, in particular those services that are non-statutory.
40. Appendix 3 sets out the savings which will be achieved through implementing the structure and the new way of working.

### Departmental Finance Manager (CS0139)

41. The report's recommended restructure of the youth service seeks to make a savings contribution to the core budget. The table in Appendix 3 reflects the breakdown of costs for the new structure [an extract is reflected in the table below]. The total core budget for 2010/11 is £3,237k; the new structure will result to core budget funding of £1,770k, plus grants for young people of £500,000.
42. In addition, funding will need to be allocated through the 2012/13 early intervention grant budget-setting process to support grants commissioning for voluntary and community sector provision. It is anticipated this will be a minimum of £0.5m.

#### Extract from the table for the cost of the new structure

| Cost category                                     | Amount<br>£k |
|---|--------------|
| Staff costs                                       | 1,350        |
| Other costs                                       | 257          |
| Buildings   | 130          |
| <b>Sub-total cost for the new structure</b>       | <b>1,737</b> |
| <b>Early intervention grants for young people</b> | <b>500</b>   |
| <b>Total cost for new structure</b>               | <b>2,237</b> |

43. The proposed saving arising from the new structure is [£3,237k - £1,737k] £1,500k, which is in line with the 2011-14 savings target for the youth service agreed in the council's budget by Council Assembly. It is expected that the cost of the redundancies arising from this restructure will be funded centrally.

### Human resource implications

44. This is a major restructure and does represent a significant change in the service, with significant reductions in numbers of staff. It is recognised that opportunities to offer many of these staff suitable alternative employment opportunities will be

limited, but support will be given for staff to maximise their opportunities for redeployment and to obtain work outside the council.

45. The impact will be felt across management at all levels and on frontline staff. Vacancies have been maintained in order to limit the impact wherever possible.
46. There is also a significant impact on the number of administration staff employed within the service, but opportunities may exist for future employment through the re-deployment process.
47. There will be consultation with trade unions at every stage and attempts made to mitigate the need for compulsory redundancy by seeking volunteers.
48. The reorganisation will follow the council's reorganisation, redeployment and redundancy procedure. It is believed that there will be no TUPE issues in relation to those staff who are being made redundant.

### Consultation

49. The proposed model for service delivery has been developed following consultation with service users, staff, providers and members. In moving forward with the reconfiguration, consultation will include meetings with unions and staff, including individual appointments for staff being made available if requested.

### SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

#### Finance Director

50. The financial implications are set out in paragraphs 39 to 41.

### BACKGROUND DOCUMENTS

| Background Papers   | Held At   | Contact   |
|---|---|---|
| More for children and young people to do – Children's Services (Education) Grants Commissioning Allocations: 2009/2012 Year 3 | 160 Tooley Street SE1;<br><a href="http://moderngov.southwarbsites.com/mgConvert2PDF.aspx?ID=17920">http://moderngov.southwarbsites.com/mgConvert2PDF.aspx?ID=17920</a> | Pat Shelley, Head of Youth Service, 020 7525 1530 |

### APPENDICES

| No.        | Title   |
|------------|---|
| Appendix 1 | Design principles for new youth service model |
| Appendix 2 | New service structure chart                   |
| Appendix 3 | Financial table                               |
| Appendix 4 | Consultation on the youth service restructure |
| Appendix 5 | Current provision                             |

## AUDIT TRAIL

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Catherine McDonald, Children's Services               |                          |
| <b>Lead Officer</b>   | Merril Haeusler, Deputy Director, Education, Children's Services |                          |
| <b>Report Author</b>  | Pat Shelley, Head of Youth Service                               |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 1 December 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  | No                       |
| Finance Director  | Yes  | Yes                      |
| Head of Human Resources   | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 2 December 2011  |                          |



**APPENDIX 1****Design principles from NYA workshop**

When redesigning the youth service, the following principles will guide any decisions. These are underpinned by the core values and vision of the council and children's services, and provide a frame within which young people will shape local provision.

To get a better deal for young people, the service will:

Be fair and inclusive:

- Activities will be available to all young people to take up without fear or prejudice
- This includes identifying and supporting individuals and groups to ensure they are not disadvantaged by the range on offer, and recognising that if a young person does not want to participate in a specific activity it does not mean they do not want to engage
- An area or community's identity will be recognised and promoted while also ensuring there are no boundaries to a young person's inclusion in an activity

Be shaped by the needs of young people:

- Activities will not be uniformly available across age groups or locations because the offer will be shaped by young people's views and by evidence of what individuals, groups and localities need and want
- Young people will be continuously and routinely involved in shaping what is on offer
- Activities will focus on where they have the biggest positive impact on young people and their communities

Provide a wide range of quality experiences:

- Activities will be fun and help young people acquire the life skills they need
- They will be when and where young people want them, and be provided in quality spaces, which are places young people want to go to
- The range will be coherent, varied and make the best use of the borough's resources, in terms of what partners, agencies and the community have to offer young people

Be flexible:

- Activities will be provided by the best provider – whether that is the voluntary sector or the council
- The service will be adaptable, such as having 'parachutable' teams to tackle specific issues for time-limited periods
- It will change over time to adapt to the changing needs of young people, with the youth service flexible enough to respond as needed

Be joined-up:

- The local offer will be coherent in who, where, when and how activities are provided
- Centres of excellence will provide the anchors to the range of activities on offer, with each provider focusing on what they do best and sharing it wherever it is needed
- Choices about what provision to offer will focus on outcomes, making sure providers do not compete but complement each other in order to best meet need

- Support services, such as transport, will enhance choices about what to offer

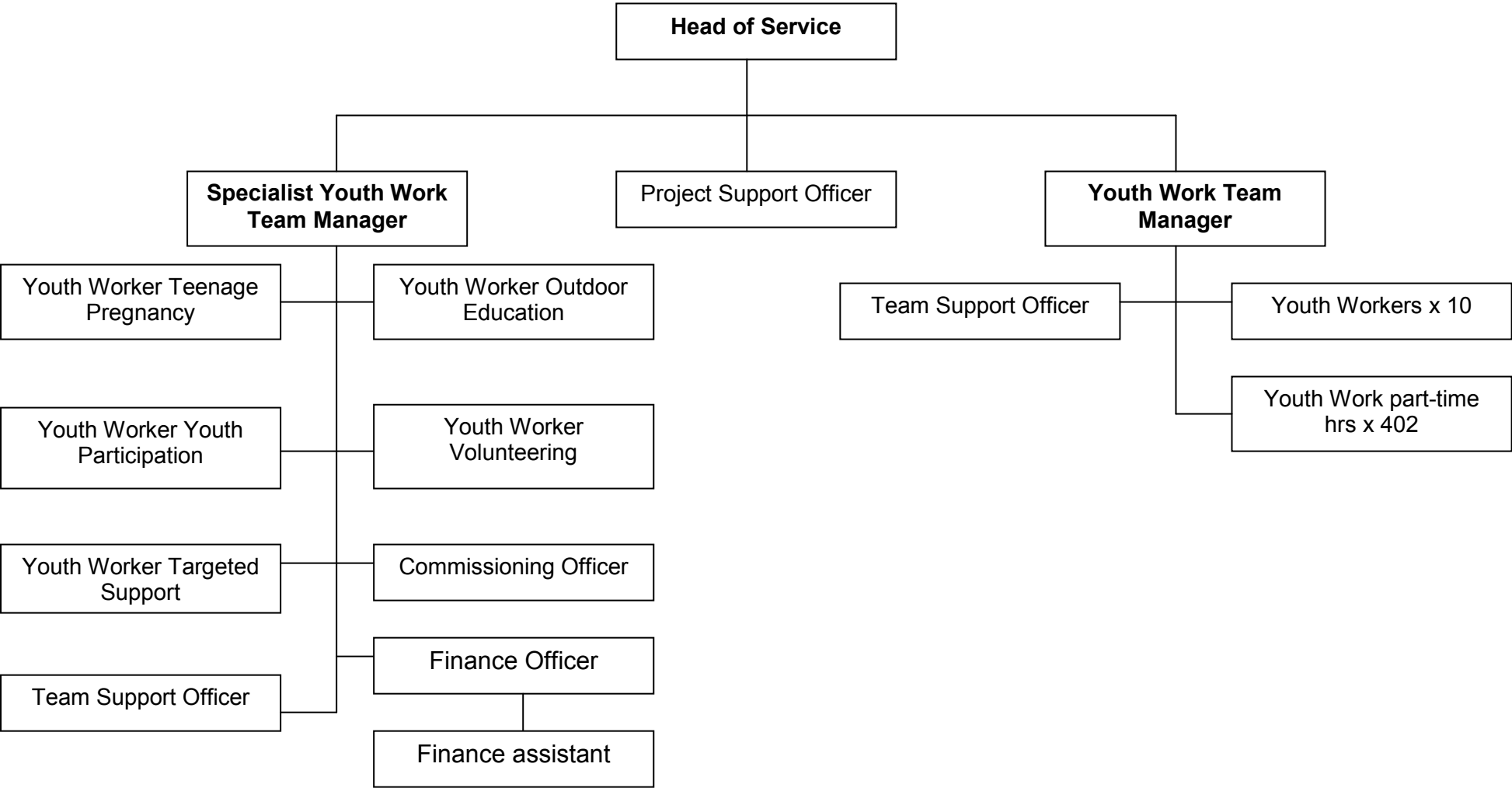
Be well publicised:

- The local offer will be visible and well known to all young people and their families, and will be promoted across a full range of media, including social media

Be delivered by a motivated, valued and well-trained workforce:

- Youth workers are the services biggest asset, and must be supported to do what they are best at – providing quality youth work that addresses young people's needs

Reconfigured Southwark youth service structure



## APPENDIX 3

## Financial table

**Allocation of budget in proposed restructured youth service**

|                     |                   |
|---------------------|-------------------|
| Youth participation | £50,000           |
| Central budget      | £15,000           |
| Activities          | £80,000           |
| Summer activities   | £60,000           |
| Office expenses     | £10,000           |
| Training            | £10,000           |
| Caretaking          | £10,000           |
| Marketing           | £10,000           |
| Staffing            | £1,350,000        |
| Events              | £15,000           |
| Buildings           | £127,000          |
|                     | <b>£1,737,000</b> |

In addition, grants commissioning to the voluntary sector, of a minimum of £500k, will be funded from the early intervention grant.

**APPENDIX 4****Consultation on the youth service restructure****Young Peoples' Groups consulted:**

Peckham Youth Community Council  
SILS 3 (School Group)  
Harris Girls East Dulwich (School group)  
Camberwell Youth Community Council  
Southwark Youth Council

**Voluntary Sector Providers consulted:**

Salmon Youth Centre  
Bede Youth Project  
Creation Trust Aylesbury Estate

**Staff Groups consulted:**

30 full-time staff  
25 part-time staff

**National Youth Agency Consultation Workshop:**

Attendance at the workshop included voluntary sector partners, young people, the National Youth Agency, councillors and council officers

**Consultation will be held at:**

Walworth Youth Community Council - 24 November 2011  
Rotherhithe Youth Community Council - 25 November 2011

**Commissioning:**

All voluntary and community sector providers with contracts with the local authority have been consulted and asked to complete a questionnaire to provide their views and comments on the new commissioning arrangements proposed.

## APPENDIX 5

### Current Provision

#### Where we deliver

With the exception of isolated pockets in the south of the borough (South Camberwell, Nunhead & Peckham Rye), wards north of The Lane suffer the highest levels of deprivation<sup>1</sup>. However, some of this might be attributable to the concentration of high density housing in those areas. Historically, this is also where the majority of grant maintained youth provision has emerged.

The majority of the Southwark Youth Service's 10 owned/operated provisions are also located in the two northerly thirds of Southwark. Moreover, there are certain areas with clusters of clubs – both LA and voluntary sector – within a few hundred metres of one another whilst other parts of the borough are left with either very little or no coverage at all (e.g. East Dulwich, Nunhead and Peckham Rye wards).

Aside from Cathedrals ward in the north, the three wards with highest NEET levels are found in areas where there are no LA youth clubs (The Lane, Nunhead and Peckham Rye)<sup>2</sup>. This gap in provision becomes starker where data are overlaid to show 'hot spots' for KPI's we often refer to:

- ASB
- Homicides
- School exclusions
- Substance abuse
- Teenage pregnancy
- Youth crime
- Youth drug offences

Statistical trends are supported by stakeholder views<sup>3</sup> as it emerges that the Community Council areas most 'dissatisfied' with *Facilities for young people* are Nunhead & Peckham Rye (41%) and Peckham (33%);. Neither of these areas has any LA youth provision.

#### What we deliver

The majority of Southwark's youth provision comprises traditional open-access youth clubs with a few focussing on highly specialised work (e.g. Fast Forward work with SEN groups, Youth Inclusion Projects work with young offenders).

Going forwards, in line with the CYP *principles for redesigning services*, we continue to see a place for LA provision of youth services being based on the needs of our communities, with a mix of open-access and targeted interventions being offered. Where we are working toward addressing specific needs – as per the KPI's above – we can better demonstrate efficacy and thereby improve perceived value for money, sustainability and effectiveness.

<sup>1</sup> Income Deprivation Affecting Children Index (IDACI) for Southwark, 2007

<sup>2</sup> 16-19 NEET Levels by Ward, Central London Connexions, 2011

<sup>3</sup> Such as *Ipsos-MORI Southwark Residents' Survey Report*, 2008 – ref: Ipsos-MORI JN33489

|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>14.             | <b>Classification:</b><br>Open | <b>Date:</b><br>13 December 2011  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Violent Crime Strategy Update   |                                 |
| <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**

The council adopted the Southwark Violent Crime Strategy 2010-15 and this report forms the annual update on the progress since adoption 1 year ago. I have recommended that it does not include detailed information on the summer riots but a separate report is presented to cabinet in the near future.

We have made the development of a Violent Crime Strategy a key priority, not just because of our on going commitment to tackle the violence that so affects our communities, but because we need to make a shared commitment with our partners to ensure a long term commitment to deliver change in the areas and with the communities that are most impacted by violent behaviour.

Violent crime in Southwark is estimated to cost public sector services £76.5m. The impact on individuals, families and communities is immeasurable and as this strategy highlights, can have an impact across generations. Timely, partnership interventions are at the core of the recommendations of our strategy but we also recognise that enforcement and our criminal justice processes play a significant role in our community attitudes to how we address violent behaviour.

The budget pressures that face services over the next few years will have an impact on how we deliver interventions. Our strategy has taken this into careful consideration, looking at how we use our limited key services wisely, efficiently and with the maximum impact.

The strategy we agreed last December paints a very real picture of the challenges we face, across all of our public, voluntary services and as a society as gives us a framework for making a real difference for everyone who lives works and travels through out borough.

The government recently published its cross government report on “Ending gang and youth violence”. We endorse the framework for addressing gang and youth violence which recognises the good work of the council, police and partner agencies in tackling serious violence

This is the first annual report on our violent crime strategy and it sets out our progress so far.

## RECOMMENDATIONS

1. That the cabinet notes the progress made in delivering the recommendations set out in the violent crime strategy 2010-15.
2. That the cabinet notes the significant reductions in most serious violence offences in 2010/11 of 34% or 250 less recorded crimes compared with the previous financial year, and the improvement in comparison to similar boroughs in our family group. This reduction has continued in the first six months of 2011/12 with a -12% reduction compared to the same period 2010. Using the Home Office economic cost of crime figures, the cost of violent crime in Southwark has reduced by £3.888m for the period April - September 2011 compared to the same period in 2010.
3. That the cabinet notes the information on the summer riots in this report and that a future report on the community conversations on the riots comes to a later meeting of the cabinet.

## BACKGROUND INFORMATION

4. Tackling violent crime has been a priority of the Safer Southwark Partnership (SSP) for the past decade. Whilst perceptions of safety amongst our residents have improved, as indicated in our residents' survey 2008, muggings, knife crime and gangs were highlighted as the issues that concerned them the most.
5. The cabinet adopted a 5 year Southwark Violent Crime Strategy in December 2010. It was agreed that an annual report on the progress of the strategy would be presented to the cabinet.
6. The strategy sets out 5 priorities and key recommendations which are as follows:
  - **Low level violence: Key recommendation**
    - Establish a multi agency programme, including increasing the visible uniformed presence, focused over the summer period, in the north of the borough on Fridays and Saturdays and involving communities and businesses
  - **Robbery: Key recommendations**
    - Realign partnership resources to concentrate on after school hours and late evenings, the two peak periods for personal robbery
    - Create "safe routes" for pupils between schools and the Elephant and Castle/neighbouring estates, involving local services and residents
  - **Serious violence - including group and weapon violence: Key recommendations**
    - Develop multi agency approach on a clearly defined area focusing on the estates and connected illegal economy
    - Ensure early intervention is targeted at those most at risk of committing serious violent crime and that exit programmes enable people to make decisions to move away from serious violence lifestyles
    - A single multi agency scaled approach to enforcement and support that utilises the range of resources within the borough
    - Base the scaled approach model on a shared agreement around risk, intervention and intelligence, sharing and targeted at those individuals who are agreed as posing a significant risk



- **Violence against women and girls - including relationship violence: Key recommendations**
    - Provision for domestic violence and sexual offences is reconfigured in line with recommendations of the SSP and Children's and Families Trust review
  - **Addressing violent offenders: Key recommendations**
    - To review and improve current arrangements for identifying and supporting young people and adults (risk management panel, multi agency public protection arrangements and priority and prolific offenders) to ensure offenders are managed by the most appropriate scheme locally. To include transitional arrangements for those moving from young person to adult services.
    - To agree a shared risk assessment framework to ensure we target our partnership resources at key individuals effectively and to maximise the resources at our disposal.
7. This report sets out the progress against these priorities and key recommendations.

### **SUMMER RIOTS**

8. That the cabinet note some of the below information about the summer riots.
9. The riots that took place in early August affected a number of cities across the country. London saw some of the worst of the riots and Southwark had the second highest level of offences in the capital.
10. The map in Annex A shows the areas where offences took place. In total, around 140 business venues were targeted and 350 offences have been recorded. 68% (108) of those charged with an offence live in Southwark. Of these 108 individuals, 52 have been found guilty of an offence (as at 07/11/11).
11. In terms of the offences committed, 36% (125) have been recorded as non residential burglary and 14% (49) as robbery of the person.
12. There is no evidence at this time that the riots in Southwark were gang related. The current analysis is that 19% of offences recorded across London were linked to gangs and only 13% nationally.
13. Although violent offences were low in number (around 6% or 21 recorded crimes) the fear of violence has a significant impact on the local businesses and the community and has impacted on how the police and other emergency services were able to respond.
14. The days following the riots saw the strength of local communities and a united resolve to support their local businesses and neighbours.
15. A series of "community conversations", led by the Leader of the Council, began in early September. The conversations were inspired from the community-led Peckham "Wall of Love", The Wall has been retained by the council as a symbol of the positive and constructive community response to the disturbances.
16. Currently it seems that local people identify no single cause to the disturbances or simple solution for delivery. The investigation into the riots and those involved will continue for several months and no conclusions have been drawn at this time.

## KEY ISSUES FOR CONSIDERATION

17. Violent crime covers a wide range of offences from verbal harassment to murder. As such the strategy reflects the categories of violence that most impact on the community within Southwark.
18. Violent crime makes up over a quarter of all recorded crime within the borough. This has been consistent over the last four years.
19. Southwark has seen an 18% reduction in recorded offences of violence against the person over the last six years. This amounts to over 1600 fewer crimes
20. Most serious violence (MSV) fell by 34% in 2010/11 compared to 2009/10, which equated to over 250 fewer offences.
21. When compared to our most similar group (MSG)<sup>1</sup> of community safety partnerships (CSPs), we have improved four places in our ranking for most serious violence; i.e., from 1<sup>st</sup> (highest rate (per thousand) of most serious violence offences) to 4<sup>th</sup> 2010/11.
22. Gun crime reduced by 7% which equated to 15 fewer recorded offences in 2010/11 compared to 2009/10.
23. Domestic violence reduced by 5% which equated to 135 fewer recorded offences in 2010/11 compared to 2009/10.
24. Southwark has also seen significant reductions in wounding/assault with injury (13%) and domestic abuse (15%) over the last six years. Robbery incidents reduced by 3% over the same time period.
25. The percentage of community members who feel that gangs are problem in the area has decreased by 8%, from 24% in 2009/10 to 16% in 2010/11.
26. Performance in the first six months of 2011/12, compared to the same period in 2010/11 has continued to be positive. Highlights include:
  - 21% reduction in all violence offences (new performance measure for 2011/12)
  - 18% reduction in violence with injury
  - 12% reduction in most serious violence (grievous bodily harm and woundings)
  - 14% reduction in common assault
  - 52% reduction in harassment
  - 42% reduction in gun crime
  - 3% reduction in knife crime
  - 17% reduction in serious youth violence

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<sup>1</sup>MSGs are a group of CSPs with similar socio-demographic characteristics. Making comparisons with the MSG average, rather than with all other areas, puts performance in context and allows like-with-like comparison.

Southwark's MSG comprises: Brent, Camden, Greenwich, Hackney, Hammersmith & Fulham, Haringey, Islington, Kensington & Chelsea, Lambeth, Southwark, Tower Hamlets, Birmingham, Brighton & Hove, Liverpool and Wolverhampton.

27. The following table highlights the progress in 2011/12 (as at September 2011) compared to boroughs in our MSG and also to London.

\*Sourced from iQuanta (Home Office website)

28. Despite these achievements Southwark still records high levels of violent crime with particular challenges in domestic violence, robbery, serious youth violence and knife crime.

29. Knife crime increased by 10% in 2010/11 (just over 80 incidents), however the number of these crimes where a knife was actually used to injure decreased by 22% (60 incidents). Although, knife crime continued to increase at the start of this financial year, we are now seeing fewer incidents (-3%) recorded compared to the previous year

30. The following table sets out the achievements against the key recommendations, set out in the Southwark Violent Crime Strategy 2010-15 :

| RECOMMENDATION  | TARGET   | PERFORMANCE   |                 |  |        |
|---|--|---|-----------------|--|--------|
| <b>Low level violence</b>   |  |   |                 |  |        |
| Establish a multi agency programme, including increasing the visible uniformed presence, focused over the summer period, in the north of the borough on Fridays and Saturdays and involving communities and businesses. | Reduction in alcohol related violence by 2% in 2011/12 compared to 2010/11   | Night time economy team established and operating Friday and Saturday nights 20:00- 06:00<br><br>46% reduction in alcohol related violence and 1% reduction in theft other in Cathedrals wards for April-Sept 2011, compared with same period in 2010 |                 |  |        |
| <b>Robbery</b>  |  |   |                 |  |        |
| <b>MSG<sup>1</sup> comparison*</b>  |  | <b>Comparison to London</b>   |                 |  |        |
| Ranking from 1st to 15th (1 <sup>st</sup> is worst in group)<br>Based on rates per 1000 resident population   |  | 2011/12 FYTD<br>% change in number of crimes  |                 |  |        |
|   | 01/04/2010 to 31/03/2011   | 01/10/2010 to 30/09/11  | <b>Progress</b> | Southwark  | London |
|   |  |   |                 |  |        |
| Most serious violence   | 4th  | 5th   | ↑               | -12%   | -13%   |
| Violence with injury  | 3rd  | 4th   | ↑               | -18%   | -9%    |
| Personal robbery  | 2nd  | 3rd   | ↑               | +6%  | +18%   |
| Residential burglary  | 11th   | 9th   | ↓               | +7%  | +7%    |
| Theft of motor vehicle  | 4th  | 7th   | ↑               | -12%   | +3%    |
| Theft from motor vehicle  | 12th   | 11th  | ↓               | -4%  | -2%    |
| Violence  |  |   |                 | -21%   | -10%   |
| Serious youth violence  |  |   |                 | -17%   | +10%   |
| Gun crime   |  |   |                 | -42%   | -15%   |
| Knife crime   |  |   |                 | -3%  | +15%   |
| Domestic violence   |  |   |                 | -9%  | -5%    |
| Realign partnership resources to concentrate on after school hours and late evenings, the two peak periods for personal robbery.  | MPS Southwark safer neighbourhood teams, British Transport Police and wardens resources realigned to after school and evenings |   |                 | 14% increase in robbery in Southwark in the time period 14.00pm – 19:00pm, April-Sept 2011 compared with the same period in 2010 |        |
| Create “safe routes” for pupils   | Wardens and police patrols   |   |                 | Personal robbery increased   |        |

| RECOMMENDATION   | TARGET   | PERFORMANCE   |
|--|--|---|
| <p>between schools and the Elephant and Castle/ neighbouring estates, involving local services and residents.</p>  | <p>providing safe routes from Walworth Academy and Globe Academy in place.</p> <p>Safe route as part of Heygate redevelopment is being established</p> | <p>by 19% in Southwark in 2010/11 compared with 2009/10. In the first six months of 2011, it increased +6% compared to same period 2010.</p> <p>Increase in robbery in East Walworth and Faraday and wards by 5% and 31% respectively in April-Sept 2011 compared with the same period in 2010</p>  |
| <b>Serious violence- including group and weapon violence</b>   |  |   |
| <p>Develop multi agency approach on a clearly defined area focusing on the estates and connected illegal economy.</p>  | <p>8% reduction in most serious violence (MSV) in 2010/11 compared to 2008/09</p>  | <p>34% reduction in MSV in 2010/11 compared to 2009/10</p> <p>12% reduction in MSV in first six months of 2011/12 compared to same period 2010</p> <p>43% reduction in MSV in age range 14-24 in 2010/11 compared to 2009/10</p> <p>Reductions in most serious crime categories as set out in paragraphs 21 to 23 above</p> <p>Illegal economy team established in July 2011 and focusing on the Peckham town centre area</p> |
| <p>Ensure early intervention is targeted at those most at risk of committing serious violent crime and that exit programmes enable people to make decisions to move away from serious violence lifestyles.</p> | <p>8% reduction in most serious violence (MSV) in 2010/11 compared to 2008/09</p>  | <p>103 multi agency home visits carried out in 2010/11.</p> <p>In 2010/11 there were 8 SERVE cases, involving 24 individuals. For this financial year we have moved 4 with 3 more currently being developed.</p> <p>6 multi agency pathway call ins carried out since September 2010- June 2011</p> <p>Multi agency focus on 35 most challenging families.</p> <p>Review of youth offending</p>                               |

| RECOMMENDATION  | TARGET  | PERFORMANCE   |
|---|---|---|
|   |   | service Risk management panel currently being undertaken to establish serious case review process   |
| A single multi agency scaled approach to enforcement and support that utilises the range of resources within the borough.   | 8% reduction in most serious violence in 2010/11 compared to 2008/09              | <p>2 multi agency test purchase operations resulting in approximately 90 arrests.</p> <p>Gang injunction obtained; first one in the country.</p> <p>YOS has been restructured to strengthen supervision of violent offenders in the community.</p> <p>Establish a multi-agency safeguarding hub to enable effective and timely information sharing between agencies to identify those most at risk of committing violent crime and providing early help. (This is being pushed by the YJB now as it can help address youth crime as well as improving safeguarding for children generally).</p> |
| Base the scaled approach model on a shared agreement around risk, intervention and intelligence, sharing and targeted at those individuals who are agreed as posing a significant risk. | 8% reduction in most serious violence in 2010/11 compared to 2008/9               | <p>As above</p> <p>Family Project established and has worked with 177 between April - Sept 2011.</p>  |
| <b>Violence against women and girls, including relationship violence</b>  |   |   |
| Provision for domestic violence and sexual offences is reconfigured in line with recommendations of the SSP and Children's and Families Trust review                                    | Reduction in recorded domestic violence offences in 2010/11 compared with 2009/10 | <p>5% reduction in recorded domestic violence offences in 2010/11 compared with 2009/10</p> <p>9% reduction in recorded domestic violence offences in April- Sept 2011 compared with same period 2010.</p> <p>Recommissioning of domestic violence services to deliver a new improved system response for victims of domestic abuse is on track, with the advert due this</p>   |

| RECOMMENDATION   | TARGET   | PERFORMANCE  |
|--|--|--|
|  |  | <p>summer.</p> <p>The multi agency risk assessment conference (MARAC) – the service response for high risk victims - received accreditation. 211 cases were referred to MARAC in 2010/11; 107 have been referred in the first six months of 2011.</p>  |
| <b>Addressing violent offenders</b>  |  |  |
| <p>To review and improve current arrangements for identifying and supporting young people and adults (Risk Management Panel, multi agency public protection arrangements and priority and prolific offenders) to ensure offenders are managed by the most appropriate scheme locally. To include transitional arrangements for those moving from young person to adult services.</p> | <p>2% reduction in violent crime in 2011/12 compared with 2010/11</p> <p>1% reduction in property crime by 2011/12 compared to 2010/11</p> | <p>18% reduction in recorded violent crime in first six months of 2011 compared to same period 2010</p> <p>1% increase in recorded property crime in first six months of 2011 compared to same period 2010</p> <p>Review completed</p> <p>Transitional arrangements are in place, including a seconded Probation Officer based in YOS</p> <p>Southwark integrated offender management team (RADAR) implemented April 2011 to target offenders sentenced to less than 12 months and priority prolific offenders (PPOs).</p> |
| <p>To agree a shared risk assessment framework to ensure we target our partnership resources at key individuals effectively and to maximise the resources at our disposal.</p>   | <p>2% reduction in violent crime in 2011/12 compared with 2010/11</p> <p>1% reduction in property crime by 2011/12 compared to 2010/11</p> | <p>18% reduction in recorded violent crime in first six months of 2011 compared to same period 2010</p> <p>1% increase in recorded property crime in first six months of 2011 compared to 2010</p> <p>Common matrix form (which includes risk assessment) in place for RADAR/ PPO/ YPPO offenders</p>  |

31. The Safer Southwark Partnership carried out extensive consultation on the priorities for the Violent Crime Strategy. This included:

- Web based survey - an online survey where residents can indicate how violent crime is affecting them and the priorities to address violent crime.
- Questionnaires - made available through the eight community councils for local people to express their views.
- Focus groups - we have run a wide range of focus groups on specific priority themes and specifically with those who have been affected by violence, including young people.
- Meetings with key services, voluntary and community representatives who have been actively involved in delivering programmes to address violent behaviour.

32. The feedback from the consultation was incorporated into the strategy and helped shape the intervention programmes.

### **Governance**

33. The delivery of the recommendations contained in the Southwark Violent Crime Strategy is overseen by the SSP Board.

34. The SSP Board adopted a new governance structure in March 2011 to reflect the 4 priorities for 2011/12. The priorities are:-

- Preventing harm (including the harm caused by serious anti social behaviour)
- Reducing offending
- Supporting families and those with multiple disadvantages
- Building sustainable community capacity and public confidence.

35. The SSP has established a preventing harm sub group which will take responsibility for the management, delivery and performance of the Southwark Violent Crime Strategy.

36. The preventing harm board reports to the SSP Board on a quarterly basis.

### **Performance framework**

37. Update: There has been a range of existing local authority area performance measures which relate to violent crime. The key performance measure, until March 2011, was NI 15 "to reduce serious violence" by 8% by March 2011 compared to 2008/9. The actual reduction for Southwark was a 32% over this three year period.

38. The Southwark Council Plan 2011-12 was adopted in July 2011. The plan sets out 10 promises for the borough including:-

*"Work with residents and the police to make the borough safer for all by cracking down on antisocial behaviour and implementing our new violent crime strategy."*

39. The council plan sets out a number of targets related to violent crime. These include:

- Reduce violent crime particularly serious violence by 2% in 2011/12 compared to 2010/11. Overall violence crime is down -21% in the first six

months of 2011, with most serious violence down -12%, compared to same period in 2010.

Value for money through effective partnership working in reducing violence, to achieve a 2% reduction in the cost of violent crime in 2011/12 compared with 2010/11 using the financial information provided by the Home Office economic cost of crime survey. Using these Home Office figures, the cost of violent crime in Southwark has reduced from £42,606m to £38,718m between Apr –Sept10 and Apr-Sept11, a reduction of £3.888m

- 2% Increase the percentage of people who feel safe walking alone after dark in 2011/12 from the 2010/11 baseline of 74%, using the Police Public Attitude Survey. In the first quarter of 2011/12, the public attitude survey indicated 88% of residents felt safe.

40. It is our intention to use the MPS public attitude survey to measure the perception of violent crime across our communities as well as local surveys where we are undertaking specific partnership interventions. The police public attitude survey measures a number of satisfaction indicators that are relevant to the violent crime strategy. Examples include:

- Tackling gun crime and levels of concern about carrying guns and knives
- To what extent gangs are a problem in local areas
- Perceptions of safety during the day and night and whilst travelling in and around the borough

41. By using the police public attitude survey we will also be in a position to benchmark ourselves against our neighbouring boroughs and also the rest of London.

### Risks to delivery

42. The following table sets out the key risks to delivering the Southwark Violent Crime Strategy.

| <b>Risk</b>                      | <b>Issue</b>   | <b>Action</b>   |
|----------------------------------|--|---|
| Financial and physical resources | A number of the existing violent crime programmes are grant funded and are due to end in March 2012. In addition key partnership agencies both in the public and voluntary sector are subject to financial reductions which will result in loss of staffing. | The recommendations of the strategy are made with a view to reductions in resourcing. The recommendations highlight actions which will focus reduced resources on interventions, in locations and with the cohort of individuals or families which will have maximum impact. The recommendations also aim to be preventative, which will result in savings. |
| Changing crime patterns          | Violent crime patterns could change over the period of the strategy and place increased demands on resources for a wider range of people or locations.   | The SSP will continue to monitor crime patterns, locally and regionally through the tactical tasking and co-ordination group and the violent crime strategic group. Keeping pace with emerging issues is a focus of the Preventing Harm sub group   |



| <b>Risk</b>       | <b>Issue</b>   | <b>Action</b>  |
|-------------------|--|--|
| Economic downturn | A further recession which impacts on our most deprived neighbourhoods may result in a rise in violent crime in the home and on the streets, as well as an increase in the illegal economy. | The regular operational meetings and review of trends through the Preventing Harm sub group will enable us to assess these changing patterns should they emerge. |

### **Conclusion**

43. There has been good progress across all of the 5 priorities and key recommendations set out in the Southwark Violent Crime Strategy
44. There has been excellent progress in tackling serious violence and Southwark has significantly improved against boroughs in its most similar family group.
45. The SSP will be focusing on serious youth violence and knife enabled robbery which has increased over the last 12 months. The Youth Offending Service are piloting the use of multi-agency review case meetings to ensure that effective plans are in place to monitor young people and address the factors which lead to offending behaviour.
46. The preventing harm subgroup will carry out an assessment of the impact on the economic down turn on violent crime, with a particular focus on the factors that cause serious violent crime. This will have in our targeted scaled approach to individuals and families.

### **Policy implications**

47. Although violent crime has reduced between 2005/6- 2010/11, Southwark still records high levels of violence compared to other boroughs in the capital. Tackling violent crime therefore remains a priority for the council and its partners.
48. There is no statutory requirement to provide a specific violent crime strategy. However there is legislation which imposes a duty on named partner agencies to work together to review crime and anti social behaviour in their area and to work together to address Community Safety priorities, such as violent crime. This is set out in Section 6 of the Crime and Disorder Act 1988, as amended by the Police and Justice Act 2006.

### **Community impact statement**

49. All areas of the borough are affected by crime and fear of crime. However analysis of crime types indicates that violent crime is not spread evenly across the borough; the town centres and neighbouring estates are the main hotspots areas. This indicates that a targeted approach is required.
50. Our crime analysis indicates that some types of violent crime disproportionately impacts on young people, both as victims and perpetrators. The focus on young people as one of the key priorities, supported by the youth justice plan, is aimed at addressing this.

51. Analysis of violent crime victims and offenders has been undertaken by the partnership analytical team. This information has been used to identify a number of the interventions and preventative measures set out in the strategy.
52. The approach adopted to tackle and reduce violent crime has been through a combination of enforcement, prevention, and wider community action to engage communities in crime prevention and community safety.
53. An equalities impact assessment has been carried out on the Violent Crime Strategy, with an action plan which has been integrated into the rolling plan. The findings of the equalities impact assessment will be published alongside the strategy.

### Resource implications

54. The Southwark Violent Crime Strategy 2010/15 is resourced fully for 2011/12. Therefore, there are no financial implications as a result of accepting the recommendations set out in this report.
55. The total funding for the tackling violent crime programme for Southwark in 2010/11 was £1,889,873.
56. The current funding streams enabling the SSP to deliver services are as follows:

| Income   | Funding stream      | Amount  | Comments  |
|--|---------------------|---|---|
| Council  | Core                | £301,310  | Redirected council core funding   |
| Council – night time economy team  | Core                | £120,000  | Redirected council core funding, matched against MPA funding for Police officers                              |
| Community safety fund  | GLA                 | £179,054  | SSP commissioning pot contribution  |
| DAPHNE   | EU                  | £50,000 per annum for 2 years end 31 <sup>st</sup> March 2013 | Ring fenced to domestic abuse services - the healthy relationships project<br>Confirmed for 2011/12 – 2012/13 |
| MARAC coordination   | Home Office         | £15,000   | Ring fenced to domestic abuse services<br>Confirmed for 2011/12, with possibility of further 2 years funding  |
| Communities Against Gun Gangs and Knives Programme (joint Southwark/Lambeth bid) |                     | £100,000 each borough   | Ring fenced to reducing youth and weapon crime services. To be confirmed by end of July 2011.                 |
| IDVA services  | Children's services | £88,000.00  | Ring fenced to domestic abuse services  |

| Income       | Funding stream | Amount | Comments        |
|--------------|----------------|--------|-----------------|
|              |                |        |                 |
| <b>TOTAL</b> |                |        | <b>£853,364</b> |

57. Much of our partnership activity in relation to violence has been mainstreamed. The Violent Crime Strategy recommendations and actions have been fed into our commissioning process and commissioning plan which has been adopted by the SSP board. We are working with our service providers to explore options moving forward, including:

- Ensuring that the services we deliver provide value for money, value for council tax payers and contribute towards delivering the vision of creating a fairer future for all in Southwark.
- The SSP will explore alternative ways of providing a service prior to proposing any cut or reduction. This will include talking to partner organisations, the voluntary sector, the business community and other local authorities.
- The SSP will conduct an equalities impact assessment as part of the commissioning plan.

### Consultation

58. As part of our approach in setting out priorities for the Southwark Violent Crime Strategy, the SSP carried out extensive consultation with our communities, those directly affected by violent crime and key voluntary and service agencies who are involved in delivering intervention to address violent behaviour.

59. The consultation included:

- Questionnaire available on the Southwark Council website.
- Questionnaires made available at all 8 community council meetings in the autumn.
- Focus groups with young people, victims, offenders and other interested parties.
- Specific workshops with services and service providers.

60. The key issues were incorporated into the recommendations under each priority.

### SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

#### Finance Director (FS035/1111)

61. This report asks Cabinet to note the progress made in delivering the recommendations set out in the violent crime strategy 2010-15. In particular it notes a reduction in the most serious violent offences in 2010/11.

62. The current funding streams that support the strategy are set out within the resource implications. These show that 60% of this funding comes from the

Council's own budget which is subject to considerable pressure to deliver savings over the next few years.

63. However the report also notes that as the strategy is taken forward, should the funding environment change, the SSP would explore the possibility of securing alternative sources of funding prior to putting forward any proposals to cut or reduce activities undertaken to tackle the problems identified.

#### **Strategic Director of Communities, Law & Governance (DP/19/07/11)**

64. The Crime and Disorder Act 1998, as amended, established Crime and Disorder Reduction Partnerships, now known as Community Safety Partnerships ("CSPs"), in order to facilitate a multi-agency approach to the reduction of crime, substance abuse, anti-social behaviour and re-offending.
65. The 1998 Act imposes statutory duties on local authorities, police authorities, fire and rescue authorities, Primary Care Trusts, and the Probation Service, known as "responsible authorities", to form CSPs and work together to review crime and disorder in their area and implement a strategy to tackle priority problems. In Southwark the CSP is called the Safer Southwark Partnership ("SSP").
66. The Police and Justice Act 2006 amended the partnership provisions of the 1998 Act to make CSPs a more effective resource, and imposed obligations on CSPs to implement strategies to tackle, amongst other things, anti-social behaviour. The Crime and Disorder (Formulation and Implementation of Strategy) Regulations 2007 make provision as to the formulation and implementation of such strategies.
67. Under the requirements of the 1998 and the 2007 Regulations the SSP has prepared a strategy to address violent crime, which the Council has adopted.
68. As a member of the SSP the Council has a duty to work with other responsible authorities to implement the violent crime strategy.
69. Under Part 3 of the Council's Constitution, the violent crime strategy is the responsibility of the cabinet, as the strategy may impact on a number of portfolios.

#### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b>   | <b>Held At</b>  | <b>Contact</b>                |
|--|---|-------------------------------|
| SSP Violent Crime Strategy 2010-15<br>Violent Crime Strategy Cabinet Report<br>December 2010<br>Violent Crime Strategy EqIA report | Community Safety<br>Environment and Leisure<br>160 Tooley Street,<br>London SE1 2QH | Jonathon Toy<br>020 7525 1479 |

**APPENDICES**

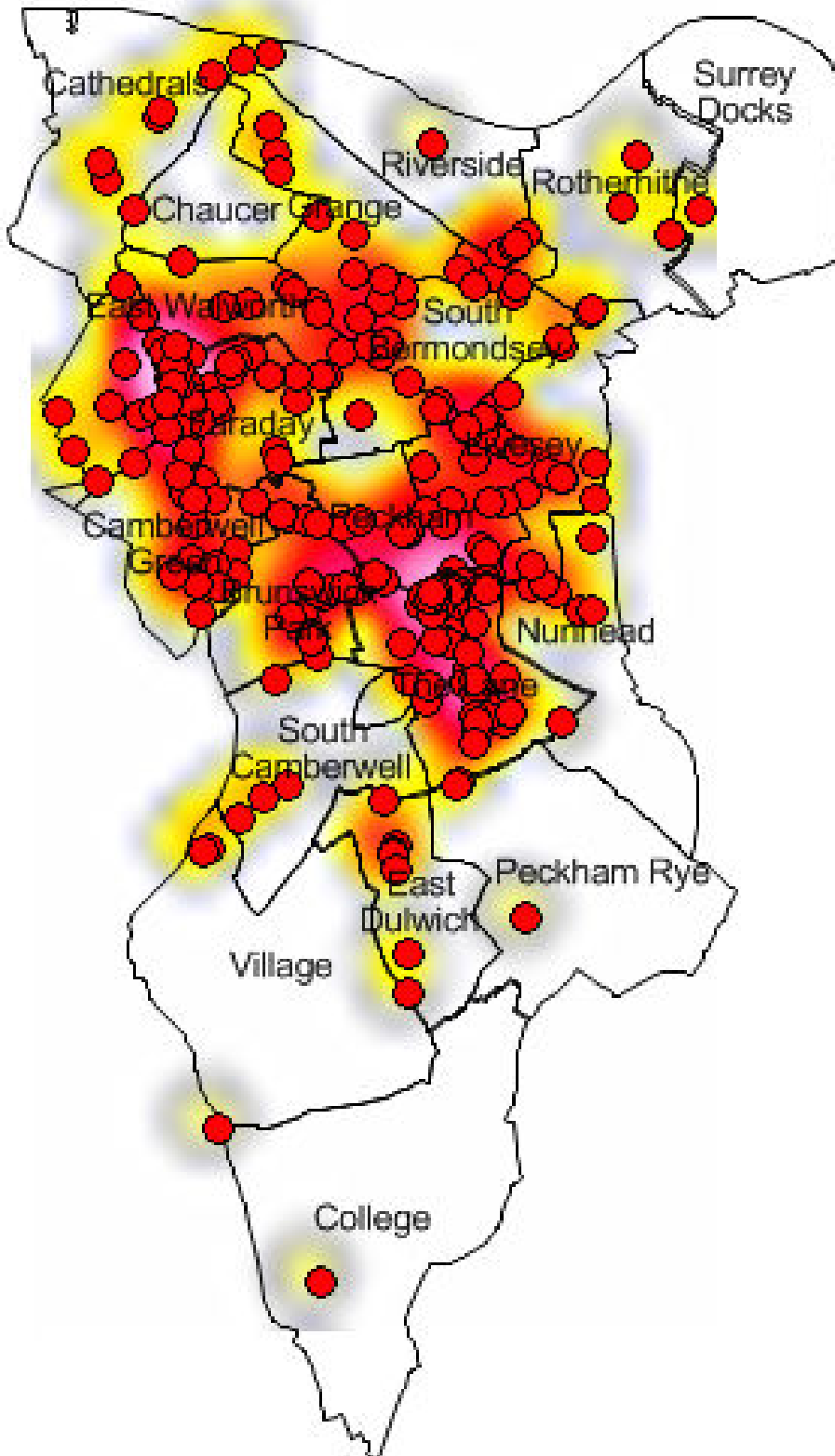
| <b>No.</b> | <b>Title</b>   |
|------------|--|
| Appendix 1 | Map of disorder offences in Southwark during the riots |

**AUDIT TRAIL**

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Richard Livingstone, Finance, Resources and Community Safety |                          |
| <b>Lead Officer</b>   | Gill Davies, Strategic Director of Environment and Leisure              |                          |
| <b>Report Author</b>  | Jonathon Toy, Head of Community Safety and Enforcement                  |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 1 December 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                      |
| Strategic Director of Children's Services                               | Yes   | Yes                      |
| <b>Cabinet Member</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 1 December 2011   |                          |

MAP OF DISORDER OFFENCES IN SOUTHWARK DURING THE RIOTS

Location of Offences Linked to Recent Disorder in Southwark



|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>15.             | <b>Classification:</b><br>Open | <b>Date:</b><br>13 December 2011  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Hate Crime Strategy   |                                 |
| <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**

Hate crimes can be part of a sustained campaign against a particular individual or group, they can also occur as random attacks that may lead to serious injury, or death. We know that hate crimes are hugely underreported and as a result, the number of reported incidents remain low in Southwark however we must not be complacent. Hate crime can have a devastating and long lasting impact on victims and we need to continue to encourage people to report. Furthermore we need to ensure that they know where to report and what support is available for them.

We also need to examine how to tackle hate crime in all its forms, strengthen prevention and intervention procedures and improve prosecution rates. We need to continue to work with offenders and look to tackle the root causes of the problem.

With fewer financial resources and subsequently fewer support services in Southwark, the Safer Southwark Partnership has looked at innovative ways to meet the challenges that hate crime brings. Southwark has a willingness and commitment of a dedicated number of people, organisations and community groups supporting the hate crime work. Through partnership working and people actively playing a part, the SSP has been able to develop the first hate crime strategy for the borough.

Furthermore, the SSP needs to ensure that every person living, working or visiting Southwark can live in safety without the fear of being persecuted based on their identity.

### **RECOMMENDATIONS**

1. That the hate crime strategy for Southwark 2011-2015, as set out in Appendix 1, be approved.
2. That the cabinet approves the five overarching strategic aims as outlined within the strategy and the supporting delivery plan. The strategic aims are:
  - Re-energise interest in tackling hate crime
  - Promote the support services available
  - Encourage communities to work together to tackle the issue
  - Encourage people to approach services to seek support and report hate crime, and

- To take a robust approach to tackle those who are repeat perpetrators of hate crime.
3. That the cabinet note that “Stop Hate UK”, a charity that provides independent and confidential support to victims of hate crime, has been jointly commissioned between the London Borough of Southwark and the Metropolitan Police Services to run a short pilot in 2011/12.

#### **BACKGROUND INFORMATION**

4. The Crime and Disorder Act 1998, first introduced a legislative framework to define and address crime and disorder
5. Southwark does not currently have a hate crime strategy. This strategy for 2011-2015 brings Southwark into line with other local authorities in setting strategic objectives with a supporting delivery plan. These documents outline how the partnership plan to tackle the issues connected with hate crime.
6. As a member of the Safer Southwark Partnership (SSP) the Council has a duty to work with other responsible authorities to formulate, approve and implement strategies. In accordance with the co-operative duties of the 1998 Act. The Council must therefore approve and implement strategies prepared by the SSP.

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

7. The Safer Southwark Partnership has recently redefined its strategic priorities for the next three years to ensure that the limited resources available to the partnership are focused in the areas, at the times and at the people, whether victims or offenders, who are most affected by crime and anti social behaviour.

The priorities are:

- reducing harm (including the harm cause by serious ASB)
  - reducing offending (including reoffending)
  - supporting families and those with multiple disadvantages
  - building sustainable community capacity and public confidence.
8. The unprecedented reductions in central government funding to public bodies has meant that there are fewer services available locally to support victims. The SSP has therefore utilised existing resources to sustain a coordinated approach to local hate crime work through the development of the new strategy.
  9. Southwark does have the commitment and advantage of a dedicated number of people, organisations and community groups supporting the hate crime work, through discussions and actively playing a part in developing how we might create a joined up approach in tackling hate crime.
  10. It is proposed that the hate crime strategy and supporting action plan will be delivered by partners involved in the Southwark Hate Crime Network (SHCN). The SHCN report to the building sustainable community subgroup and that reports to the SSP board.



11. Southwark consistently remains within the top five London boroughs in terms of numbers of hate crime reports made to the police. The hate crime strategy is a live document. We will continue to engage and consult with the communities most affected by hate crime to ensure that the strategic aims and objectives remain pertinent.

## **National context**

### **Hate crime: overall key findings**

12. The Equality and Human Rights Commission's newly published report 'Hidden in plain sight: Inquiry into disability-related harassment' (September 2011) highlights the fact that many more incidents of violence and hostility are either not reported or not dealt with properly by public bodies, such as social housing providers, public transport bodies and the police.
13. Nationally we know that hate crimes are hugely under-reported, estimates suggest that a mere 20-30% of all hate crimes are actually reported to the police (Lambeth Hate Crime Strategy). Furthermore, it is difficult to know how to interpret fluctuations in the numbers of reports of hate crime incidents. There are several possible explanations for reports of hate crime increasing for example:
- More crimes taking place
  - Projects encouraging people to report
  - People having more confidence in reporting structures
14. Prosecutions
- Nationally, in the four years ending March 2010, more than 53,600 defendants were prosecuted for hate crimes through the Crown Prosecution Service (CPS).
  - The most commonly prosecuted offences were those against the person and public order offences (43% and 40% of the total respectively).
  - The conviction rate rose from 77% in 2006-07 to 82% in 2009-10.
  - Guilty pleas increased from 64% to 70%.
  - The proportion of cases failing due to key reasons such as victim issues (comprising retraction, non attendance and non supportive victim evidence), acquittals after trial and essential legal elements missing increased from 63% to 67% of all unsuccessful outcomes.
15. Perpetrators
- In the four years ending March 2010 the majority of defendants across the hate crime strands were men, typically young white males.
  - 50% of defendants across the hate crime strands were aged between 25 to 59 and 30% between 18 to 24.
  - Broken down further, most race hate offenders are under 30 and most homophobic offenders are aged 16 to 20 years old.
  - Most hate crime perpetrators live in the same neighbourhood as their victims.
16. Victims
- Data on victim demographics are less complete and remain under development. However, where gender is known, men formed the largest proportion of victims across all strands, at 68% of the total.

- The majority of hate crimes happen near to the victim's home while they are going about their daily business, and an offence is most likely to be committed between 3.00 pm and midnight.
17. The Home Office provided in excess of £300,000 in 2009/10 for hate crime victim projects through the Victims' Fund Hate Crime Section. The total cost of hate crime to society in England and Wales is currently unknown.
  18. Official data on hate crime reporting suggests that there has been a significant decrease in the reporting of hate crime across the London area in 2010 to 11. Nationally in 2010, the police recorded 48,127 crimes where the victim, or any other person, perceived the criminal offence to be motivated by hostility based on a person's race, religious belief, sexual orientation, disability or where the victim was perceived to be transgender. This compares with 51,920 crimes in 2009. In Southwark for the 12 months to August 10 there were decreases in numbers of both Racist & Religious (291 compared with previous of 467) and homophobic hate crimes (68 compared with previous of 87)
  19. The MPA are in the process of examining this issue to establish if there has been a decrease in the reporting of hate crimes across all diversity areas and a decrease in reporting to the organisations that support hate crime victims and third party reporting.

### **The Southwark approach**

20. The following data for the year 2010/2011 is derived from the Crime Reporting Information System (CRIS) which outlines demographics of both those accused of committing hate crimes in Southwark and those who are the victims of it. (NB. 'Accused' is defined as those individuals who have been charged with a hate crime offence, who may or may not have been convicted).

#### **Race hate crime**

##### Perpetrators

- For the year 2010/2011 the majority of those accused of a race hate crime were males (81% male compared with 19% female).
- Local data indicates that the majority age group of those accused of race hate crime was 31 – 35 (14%) with the second largest group being 41 – 45 (12%)
- The ethnicity of those accused of a race hate crime in Southwark were, in the main, white European (67%) with Afro-Caribbean being the second largest group (28% of total).

##### Victims

- For the year 2010/2011, the majority of victims of race hate crime in Southwark were male (56% compared with 34% female - 9% unknown).
- The majority age group (18%) of victims were from the 26 – 30 group with 36 – 40 being the second largest group (15%).

- The majority of victims of race hate crime were from the Afro-Caribbean community (65%) followed by White European (28%) and Asian groups (24%).

### **Homophobic hate crime**

#### Perpetrators

- For the year 2010/ 2011 the majority of those accused of a homophobic hate crime in Southwark were males (97% compared with 3% female).
- The majority age group of those accused of homophobic hate crime was 21 – 25 (31%) with the second largest age group being 26 – 30 (16%).
- The ethnicity of those accused of a homophobic hate crime were, in the main White European (53%) with Afro-Caribbean being the second largest group (30%).

#### Victims

- For the year 2010/2011, the majority of victims of homophobic hate crime in Southwark were male (76% male compared with 21% female, 3% unknown).
- The majority age group of victims were from the 26 – 30 group (19%) with 31 – 35 being the second largest group (18%).
- The majority of victims of homophobic hate crime were from the white European group (53% of total) with Afro-Caribbean (31%) coming next. This is different to race hate crime where the majority of victims were Afro-Caribbean (65%).

### **Hate Crime Network:**

21. The Southwark Hate Crime Network (SHCN) has been developed to bring key organisations and individuals together in partnership to develop new initiatives to promote hate crime support and consider how to prevent these crimes occurring. It is facilitated by the Council.
22. The SHCN was formed in September 2010. The current membership includes a broad spectrum of organisations to help develop a grounded and robust response to the challenges of hate crimes.
23. The SHCN has identified five strategic aims:
  - Re-energise interest in tackling hate crime
  - Promote the support services available
  - Encourage communities to work together to tackle the issue
  - Encourage people to approach services to seek support and report hate crime and,
  - To take a robust approach to tackle those who are repeat perpetrators of hate crime.

**Event: Prevent it, report it**

24. The SHCN worked in partnership to develop an event (Prevent it, report it) in June 2011, which brought together five speakers to discuss themes including:
- The Government's approach to hate crime
  - Enabling Communities to identify hate crime and to build trust and confidence in agencies to report it
  - Restorative justice
  - National hate crime work
  - Work taking place in schools to tackle homophobia.
25. The event, attended by 100 people from a broad range of services, community groups and voluntary, statutory and non-statutory organisations, proved to be a success in terms bringing individuals and organisations together to share ideas and concepts. The key objectives and recommendations raised by participants at the event have been incorporated into the new strategy and supporting action plan. These recommendations include:
- The majority of hate crime's experienced go unreported to the police, the reasons for not contacting the police may include fear of reprisals, feeling that the crime won't be taken seriously, feeling isolated from support and commentary structures, or simply not knowing what support is actually available and how to access this.
  - Individuals and community groups need to be informed of a what a hate crime is, how to spot it and how and where to report.
  - Need to be able to reach people whose first language may not be English and/ or people with learning disabilities individuals and community groups need to have information in accessible ways that are offered beyond the usual text format.
  - There is a correlation between ASB and hate crime, work needs to happen to look at what these might be and encourage people to report both ASB and hate crime.
  - Terminology can be a barrier for people accessing appropriate support, individuals may not understand what a hate crime or ASB is or what choices to tackle the behaviour are available. Targeted work should be developed to support community groups and those offering support to raise a greater understanding and awareness of the issues to ensure individuals receive the appropriate signposting and/ or support when disclosing.
  - People with learning disabilities currently have no way of viewing local accessible information.
  - People from the LGBT community may not wish to 'out' themselves due to fear of a negative reaction to their disclosure.
  - More awareness of hate crime has to be disseminated widely and in inventive ways and formats.
  - Repeat victims of hate crime may not report due to events happening too frequently, work needs to happen to encourage vulnerable repeat victims to seek support.

**Policy implications**

26. This strategy is aligned to existing policy frameworks, including the Safer Southwark Partnership's statutory rolling action plan, the violent crime strategy

2010-2015, the Southwark antisocial behaviour strategy 2011-15 and the Southwark Council Plan, particularly, the pledge to; 'Work with residents and the police to make the borough safer for all by cracking down on antisocial behaviour and implementing our new violent crime strategy'.

27. The strategy has been developed taking into consideration similar strategies from other London boroughs.

### **Community impact statement**

28. Tackling crime and ASB was the top priority that Southwark residents chose when identifying what the council should focus its resources on as part of the most recent reputation tracker survey.

29. The ASB Community Research Project set up in 2010 asked people from different communities about their experiences of crime and ASB, as victims and as concerned residents. The project trained residents from various community groups as ASB researchers and asked them to undertake surveys with people who came from similar (and different) backgrounds. The researchers and the people they surveyed were Somalian, Bengali, people attending local faith groups, including African managed churches and mosques, young people from various ethnic backgrounds, Polish residents, older people from black African, black Caribbean and white British backgrounds, residents from French speaking African countries, Vietnamese residents, Latin American residents and members of the lesbian, gay, bisexual and trans (LGBT) community.

30. Over four hundred local people, whose views were sought via the community researchers, have informed this strategy and will support future policy development by council officers continuing to engage with the community researchers to promote examples of positive outcomes to encourage people to engage with support services

31. As noted above the SHCN worked in partnership to develop an event (Prevent it, report it) held at council premises in June 2011, echoed the views of the crime and ASB research with community groups and hate crime research:

- The majority of hate crime's experienced go unreported to the police, the reasons for this are many and include fear of reprisals, feeling that the crime won't be taken seriously, being isolated and not knowing what support is actually available;
- Individuals and community groups need to be informed of a what a hate crime is, how to spot it and how and where to report;
- To be able to reach people who first language may not be English and/ or people with learning disabilities individuals and community groups need to have information in accessible ways that are offered beyond the usual text format;
- There is a correlation between ASB and hate crime, work needs to happen to look at what these might be and encourage people to report both ASB and hate crime;
- People from the Black Minority and Ethnic (BME) community may not know what a 'hate crime' is and work needs to happen to address the balance of awareness and knowledge;
- People with learning disabilities currently have no way of accessing local accessible information;

- People from the LGBT community may not wish to 'out' themselves due to fear of a negative reaction to their disclosure;
32. People may believe that no action can or will be taken and therefore resist reporting. Experiencing a hate crime as an individual or witness may leave the person feeling angry, fearful, that they should stay at home and isolated from community life. This strategy proposes that work be carried out to promote the support services available utilising the community groups available to broaden the scope and reach of the work
  33. The continuing development of the diversity of the SHCN group will help steer the action plan of the strategy. The SHCN together with the council's community engagement team will ensure that we maximise the communities that we engage with to encourage participation and to seek support when required. This will demonstrate a positive commitment by the local authority and its partners that we actively are working towards inclusivity.
  34. An Equalities Impact Assessment (Equality Analysis) will be developed in line with the hate crime strategy to assess the impact that the policy may have on individuals and communities. The new Equality Duty as outlined in the Equality Act 2010, replaces the three previous duties on race, disability and gender, bringing them together into a single duty, and extends it to cover age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment (in full).
  35. The new Equality Duty requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations in the course of developing policies and delivering services. Public bodies should consider the needs of all individuals in their day to day work, in developing policy, in delivering services, and in relation to their own employees.

### **Resource implications**

36. The resourcing of this strategy and its recommendations are contained within existing budgets.
37. The core Safer Southwark Partnership board in its rolling action and commissioning plan (May 2011), agreed to commission a campaign working with "Stop Hate UK" under the priority area; Building Sustainable Community Capacity and Public Confidence at a cost of £7,000. The campaign will provide independent and confidential support to victims of hate crime in Southwark
38. We have successfully secured partnership funding from the Metropolitan Police for half of the cost of the campaign, total £3,500.
39. This report does not seek to commit us to extending the pilot or purchasing additional services. Officers will review the impact after the six month pilot and review in the light of funding available.
40. Staffing to deliver the Strategy and its recommendations is contained within existing staff structures.

## **Consultation**

41. The strategy has been produced in partnership with all relevant departments in order to ensure that the document and the recommendations outlined within it are realistic, deliverable and achievable.
42. Members of the Southwark hate crime network were integral to the development of the strategy. The SHCN will continue to engage and consult with the communities most affected by hate crime to ensure that the strategic aims and objectives in the strategy remain pertinent.
43. As described point 27 above a community hate crime event was held in June 2010. From the facilitated workshops discussions, a broad range of recommendations were made and have been incorporated into the strategy.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

46. The Crime and Disorder Act 1998, as amended, established Crime and Disorder Reduction Partnerships, now known as Community Safety Partnerships ("CSPs"), in order to facilitate a multi-agency approach to the reduction of crime, substance abuse, anti-social behaviour and reoffending.
47. The 1998 Act imposes statutory duties on local authorities, police authorities, fire and rescue authorities, Primary Care Trusts, and the Probation Service, known as "responsible authorities", to form CSPs and work together to review crime and disorder in their area and implement a strategy to tackle priority problems. In Southwark the CSP is called the Safer Southwark Partnership ("SSP").
48. The Police and Justice Act 2006 amended the partnership provisions of the 1998 Act to make CSPs a more effective resource, and imposed obligations on CSPs to implement strategies to tackle the different types crime which affect their areas, such as hate crime. The Crime and Disorder (Formulation and Implementation of Strategy) Regulations 2007 make provision as to the formulation and implementation of such strategies.
49. Under the requirements of the 1998 and the 2007 Regulations the SSP has prepared a strategy to address hate crime in Southwark.
50. As a member of the SSP the Council has a duty to work with other responsible authorities to formulate, approve and implement such strategies. In accordance with the co-operative duties of the 1998 Act the Council must therefore approve and implement strategies prepared by the SSP.
51. Under Part 3 of the Council's Constitution, the approval of the hate crime strategy is a decision for the cabinet, as the strategy may impact on a number of portfolios.
52. Positive equalities obligations are placed on local authorities, sometimes described as equalities duties, with regard to race, disability and gender. Race equality duties were introduced by the Race Relations Amendment Act 2000

which amended the Race Relations Act 1976. Gender equalities duties were introduced by the Equality Act 2006, which amended the Sex Discrimination Act 1975. Disability equality duties were introduced by the Disability Discrimination Act 2005 which amended the Disability Act 1995.

53. Equality impact assessments are an essential tool to assist councils to comply with our equalities duties and to make decisions fairly and equalities and human rights impact assessments that are carried out should be mindful of the protected characteristics under the Equality Act 2010.

#### **Finance Director**

54. This report asks the Cabinet to approve the 2011-15 Hate Crime Strategy.
55. The Finance Director notes that the cost of the strategy can be met from within existing budgets, including the £7k cost of the Stop Hate UK pilot campaign, 50% of which will be funded by the Metropolitan Police

#### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b>   | <b>Held At</b>  | <b>Contact</b>                 |
|--|---|--------------------------------|
| The violent crime strategy (2011 – 2015)   | CSPS, Floor 3, Hub 3<br>160 Tooley Street<br>London SE1 2QH | Dax Ashworth, 020<br>7525 5659 |
| Southwark Antisocial Behaviour Strategy 2011-2015  | CSPS, Floor 3, Hub 3<br>160 Tooley Street<br>London SE1 2QH | Dax Ashworth, 020<br>7525 5659 |
| Hate crime and crimes against older people report - Crown Prosecution Service (CPS) 2009- 2010 | CPS publication available online                            | Dax Ashworth, 020<br>7525 5659 |
| The Cross-Government Hate Crime Action Plan – Home Office 2009                                 | Home Office publication available online                    | Dax Ashworth, 020<br>7525 5659 |
| London Borough of Redbridge hate crime strategy 2011   | London Borough of Redbridge publication available online    | Dax Ashworth, 020<br>7525 5659 |

#### **APPENDICES**

| <b>No.</b> | <b>Title</b>                                    |
|------------|---|
| Appendix 1 | Draft Southwark hate crime strategy 2011 – 2015 |



**AUDIT TRAIL**

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Richard Livingstone, Finance, Resources and Community Safety |                          |
| <b>Lead Officer</b>   | Gill Davies, Strategic Director Environment & Leisure                   |                          |
| <b>Report Author</b>  | Jonathon Toy, Head of Community Safety & Enforcement (E&L)              |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 1 December 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>                    | 1 December 2011   |                          |

## APPENDIX 1

# Hate crime

# Strategy 2011 to 2015

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

## Draft

### Hate crime strategy 2011

*“Hate incidents not only impact negatively on the lives of victims and their families but also damage cohesion in the wider community. People who are more vulnerable to hate incidents are also likely to have a greater fear of crime. It is therefore essential that public authorities and local communities work in partnership to tackle this problem in their local area as no single agency or group can accomplish this alone.”*

**(The Equality and Human Rights Commission)**

#### 1.0 Executive Summary

The Safer Southwark Partnership (SSP) has produced this hate crime strategy document setting out the multi agency approach that we will take to tackling hate crime over the next four years. The strategy outlines the overall picture of the drivers behind hate crime work and what support is available locally for people to access. The SSP want to ensure that the victims of hate crime, whether individuals, families or communities, feel supported in addressing this unacceptable behaviour.

We have learnt that the issues prevalent in Southwark cannot be dealt with by one organisation alone. We will ensure that all partners share information, problem-solve and work together, with our communities, to ensure that concerns are addressed in a timely manner. We want to improve people’s understanding and perception of hate crime to ensure that those living, working and visiting the borough, feel safer.

With the reduction in financial resources and services this strategy looks at where and how we might develop a network of individuals, community groups and organisations to meet the challenges we face in both supporting the victim and tackling the issues that lead to people committing hate crime. In this financial context we must ensure the most cost effective and targeted use of the limited resources that we have available.

In summary, the SSP has identified four key objectives:

- Re-energise interest in tackling hate crime;
- Promote the support services available;
- Encourage communities to work together to tackle the issue;
- Encourage people to approach services for support and report;
- That a robust approach is taken in tackling perpetrators of hate crime

This document will give focus to the following:

- good practice in tackling hate crime
- consideration of how we might prevent hate crime occurring
- the current direction of travel
- better support for victims of hate crime
- what support is, and should be available maximising the limited resources that we have
- how we can develop measureable, achievable and realistic outcomes with less resources
- how we identify community tensions and work with community intelligence
- how we might map hate crime ‘hot spots’ areas for targeted work

#### 2.0 What is hate crime?

Any hate incident, which constitutes a criminal offence perceived by the victim or any other person, as being motivated by prejudice or hate.

#### Association of Chief Police Officers (ACPO) 2009

A hate crime is any criminal offence committed against a person or property that is motivated by hatred of someone because of their race, colour, ethnic origin, nationality or national origins, religion, gender or gender identity, sexual orientation, disability or age

**Home Office**

## Draft

A hate crime is targeted victimisation which can include a range of offences such as:

- Physical assault
- Harassment
- Threats
- Verbal abuse and other offensive behaviour
- Criminal damage to property or a place of residence
- Arson
- Bullying

As well as resulting in physical injury, hate crime can affect people's mental health and quality of life, and increase their fear of crime. It can lead to anger, insecurity, stress and depression, and can leave some people afraid to leave the house.

### 3.0 Where does hate crime occur?

#### One off's

People may experience a hate crime as a one off event; the perpetrator may be acting on their own or as part of a group, under peer pressure or under the influence of alcohol.

One off events can happen in any situation such as when people are:

- On public transport
- Within earshot of a passing vehicle
- On the street
- At a take away, sports ground or other location
- At large event such as a festival or 'Gay Pride'

#### Cyber

Individuals can be sent offensive text messages or emails or they may be contacted or targeted through a social media sight such as Facebook or Twitter. Attacks can be anonymous and therefore it might be difficult to locate the source and secondly can be a very public way of attempting to intimidate an individual

Additional issues for people are that these 'virtual' hate crimes can occur anywhere and can happen 24/7

#### Environment

A community group might be targeted entering or leaving the venue at a particular location. Local residents who belong to a community group may also be targeted as the hate crimes widen to include others by association, for example, a gay pub may cause local residents to target neighbours they suspect might also be gay.

#### Association

People may experience a hate crime just due to their being at a particular location, perhaps while visiting a friend or partner, even though they may not be from the group that the perpetrator is targeting. For example, someone who is not from the LGBT community but who is exiting from or standing outside a LGBT venue might be targeted or friends or relatives of people with a learning disability being targeted during a visit to the disabled person.

#### Neighbours

Verbal abuse, usually delivered near the victim's home, is the main form of hate crime experienced by people, with the perpetrator usually, although not always, being known to the victim. The majority of these hate crimes go unreported as people may fear reprisals or simply feel that no appropriate action would be taken following a report to the police or other organisations. In some instances, unreported hate crimes may continue for a number of years, with individuals, couples or whole families being targeted.

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### 4.0 What are the causes of hate crimes?

It is extremely difficult to identify the causes of hate crime from one individual to another and between one hate crime and another as there are often many factors involved. A hate crime may stem from intolerance towards people with different beliefs or lifestyles leading to a sustained level of antisocial behaviour that may last over a number of years. Equally a hate crime can be a 'flash in the pan' one off event in a public place aiming to intimidate or harass an individual.

Furthermore, local, national and global events can influence levels of hostility to certain groups. Media coverage of events and certain groups, such as refugees, asylum seekers, and migrant workers, can affect a local situation.

### 5.0 The potential impact of hate crime

Regardless of where or when any hate crime taking place, they can have devastating effects and its impact may last well beyond the period during which the hate crime was experienced having an affect on how people interact with their local community and/ or society at large.

People may believe that no action can or will be taken and therefore resist reporting. Experiencing a hate crime as an individual or witness may leave the person feeling:

- Angry
- Fearful
- Fearful of certain locations
- Distrustful
- Disrespected
- That it would be better not to meet or make new friends
- Isolated
- Suspicious
- That they need to stay at home

### 6.0 Hate crime legislation

The legislation outlined below has been instrumental in building the hate crime agenda and how the SSP manages hate crime in the borough:

The **Equalities Act 2010** (section 149) put in place a 'Public Sector Equality Duty'. This means that a public authority must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- Advance equality of opportunity between persons who share a relevant protected characteristic and person who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

**Section 17 of the Crime and Disorder Act 1998** places a statutory duty on responsible authorities (which includes local authorities) to prevent crime and disorder, antisocial behaviour, substance misuse and reducing reoffending in their area.

#### **Public Order Act 1986**

Section 4(A)(1) of the 1986 Act deals with the offence of causing harassment, alarm or distress. A person is guilty of an offence if, with intent to cause a person harassment, alarm or distress, s/he - "uses threatening, abusive or insulting words or behaviour or disorderly behaviour; or displays any writing, sign or visible representation which is threatening abusive or insulting, thereby causing that or another person harassment, alarm or distress".

#### **Protection from Harassment Act 1997**

There are two offences that arise under this statute which may be relevant to the sanctioning of hate motivated harassment.

The offence of harassment: this arises under section 2 of the Protection from Harassment Act 1997. Under this, the prosecution must prove:

## Draft

1. That the Defendant had pursued a course of conduct on at least two separate occasions;
2. That the Defendant's course of conduct amounted to harassment of another – what constitutes 'harassment' tends to be a matter of common sense e.g. the repetition of racist or homophobic remarks could amount to harassment;
3. That the Defendant knew or ought to have known that the course of conduct amounted to harassment.

**Human Rights Act 1998** states that people should have:

- The right to liberty
- Freedom of thought, conscience and religion, and freedom to express your beliefs
- Freedom of expression
- Freedom of assembly and association
- The right not to be discriminated against in respect of these rights and freedoms
- The right to peaceful enjoyment of your property
- The right to an education

### 7.0 National picture

Nationally we know that hate crimes are hugely under-reported, estimates suggest that a mere 20-30 percent of all hate crimes are actually reported to the police.<sup>1</sup> In addition, it is difficult to know how to interpret fluctuations in the numbers of reports of hate crime incidents. There are several possible explanations for reports of hate crime increasing for example such as:

- More crimes taking place
- Projects encouraging people to report
- People having more confidence in reporting structures

#### Prosecutions

- In the four years ending March 2010, in the UK more than 53,600 defendants were prosecuted for hate crimes through the Crown Prosecution Service (CPS)
- The most commonly prosecuted offences were those against the person and public order offences (43% and 40% of the total respectively)
- The conviction rate rose from 77% in 2006 to 2007 to 82% in 2009 to 2010
- Guilty pleas increased from 64% to 70%
- The proportion of cases failing due to key reasons such as victim issues (comprising retraction, non attendance and non supportive victim evidence), acquittals after trial and essential legal element missing increased from 63% to 67% of all unsuccessful outcomes<sup>2</sup>

#### Perpetrators

- In the four years ending March 2010 the majority of defendants across the hate crime strands were men, typically young white males
- 50% of defendants across the hate crime strands were aged between 25 to 59 and 30% between 18 to 24
- Broken down further, most race hate offenders are under 30<sup>3</sup> and most homophobic offenders are aged 16 to 20 years old
- Most hate crime perpetrators live in the same neighbourhood as their victims

#### Victim

- Data on victim demographics are less complete and remain under development. However, where gender is known, in the four years ending March 2010 men formed the largest proportion of victims across all strands, at 68% of the total.

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<sup>1</sup> Lambeth Hate Crime Strategy

<sup>2</sup> Hate crime and crimes against older people report 2009- 2010 Crown Prosecution Service

<sup>3</sup> Local Government Improvement and Development

Draft

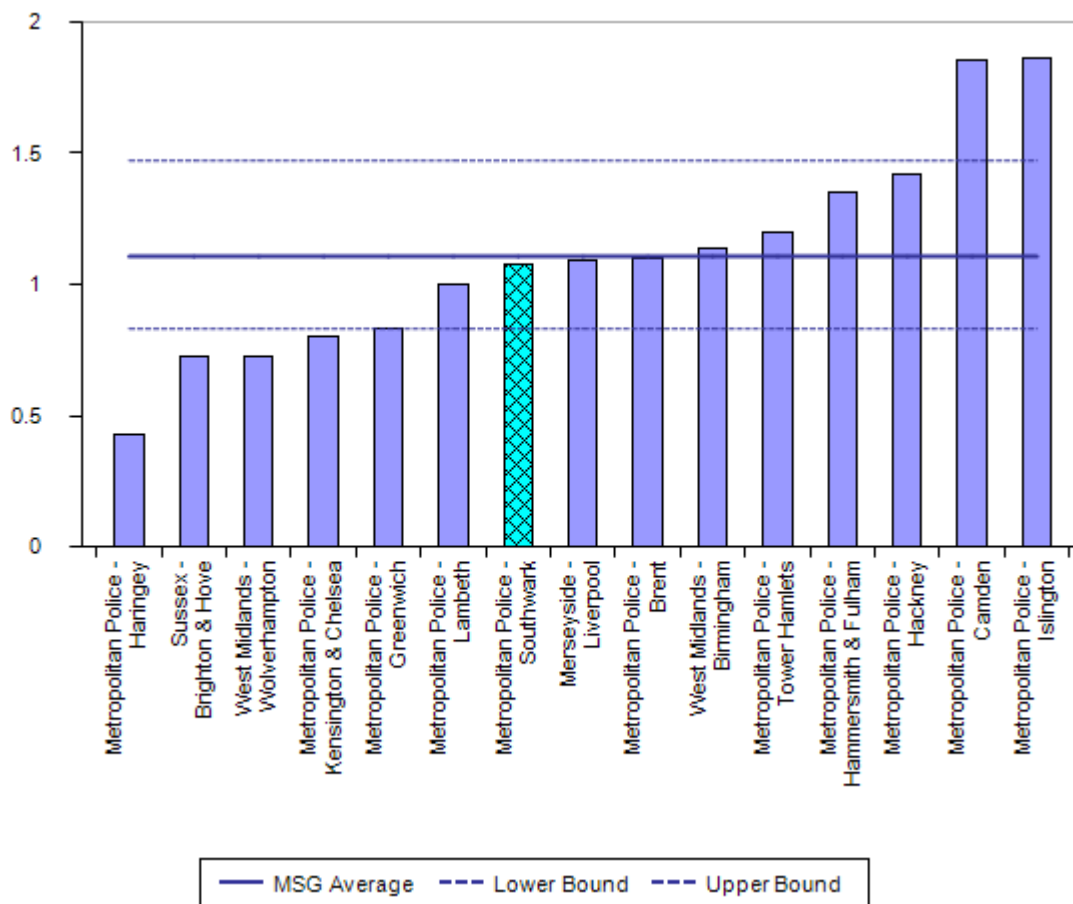
- The majority of hate crimes happen near to the victim's home while they are going about their daily business, and an offence is most likely to be committed between 3.00 pm and midnight.

During 2009 to 2010 the CPS worked with criminal justice partners and across government to deliver the actions outlined in the Home Office Hate Crime Action plan launched in September 2009. Since the last General Election, the CPS has been a key member of the cross-cutting Hate Crime Strategy Board, sponsored by the Ministry of Justice and the Home Office, which brings together officials from across Government, provides leadership for this agenda and co-ordinates strategy and action to prevent and tackle hate crime.

In May 2009, the CPS developed and published information leaflets aimed at victims of hate crime and organisations that support them. In March 2010 the CPS launched the hate crime e-learning module, which is required learning for all CPS prosecutors. Seminars addressing the latest policy and practice development were held for all hate crime coordinators in November 2009 and March 2010.

8.0 How Southwark compares

Racist or religiously aggravated offences: Southwark’s most similar group 2010 to 2011 crimes per 1000 residents



9.0 Regional picture

The Metropolitan Police Authority (MPA) has steered a hate crime forum which brings together hate crime coordinators from London local authorities to discuss potential work with victims and perpetrators. This forum is currently under review as is the MPA and its role. This may have an effect on how any London wide hate crime work is coordinated and considered

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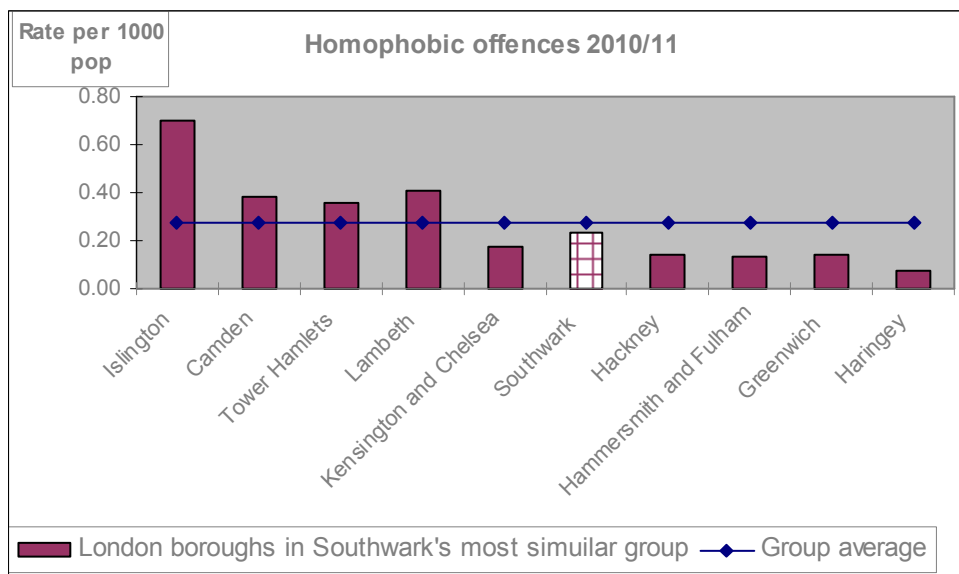
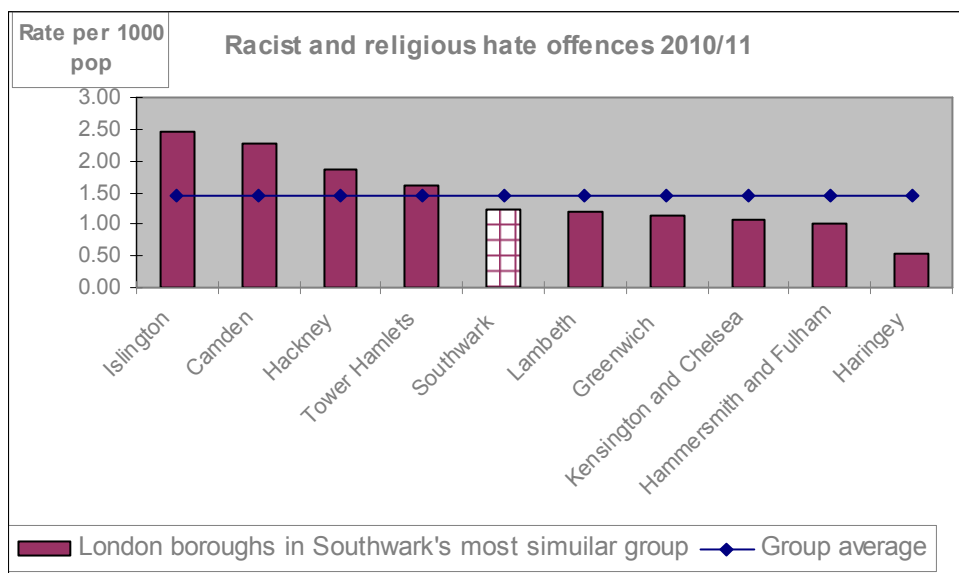
Official data on hate crime reporting suggests that there has been a significant decrease in the reporting of hate crime across the London area in 2010 to 11. Nationally in 2010, the police recorded 48,127 crimes where the victim, or any other person, perceived the criminal offence to be motivated by hostility based on a person’s race, religious belief, sexual orientation, disability or where the victim was perceived to be transgender. This compares with 51,920 crimes in 2009. In Southwark for the 12 months to August 10 there were decreases in numbers of both Racist & Religious (467 compared with 291) and homophobic hate crimes (87 compared with 68)

The MPA are in the process of examining this issue to establish if there has been a decrease in the reporting of hate crimes across all diversity areas and a decrease in reporting to the organisations that support hate crime victims and third party reporting.

Each London borough develops its own hate crime strategy according to its own context of the local area and the needs of its population. With the recent local authority budget cuts, a number of hate coordinators roles have now ended with the result being that there is little consistency in what is available London wide.

Currently Stop Hate UK are commissioned in 9 London boroughs, this service provides independent and confidential support to people affected by hate crime and signposts people to appropriate local services. The cost for a London borough to commission the service (depending on population) is approximately 7K

10.0 How Southwark compares with other London boroughs





## Draft

**11.0 Hate Crime in Southwark**

The Safer Southwark Partnership vision statement:

***‘To make Southwark a safer and healthier place to live, work and visit’***

Responsibility for managing crime and disorder in Southwark sits within the remit of the SSP, which has existed since the introduction of the 1998 Crime and Disorder Act. The partnership brings together a range of statutory and voluntary sector services as well as business and faith communities to jointly determine how they can work together to reduce crime, fear of crime and substance misuse in addition to anti social behaviour. The overall decision making body of the partnership is the SSP board which is currently jointly chaired by the Police Borough Commander and Chief Executive for Southwark Council.

The SSP has recently redefined its strategic priorities for the next three years to ensure that the limited resources available to the partnership are focused in the areas, at the times and at the people, whether victims or offenders, who are affected by crime and antisocial behaviour. The priorities are:

- Reducing harm (including the harm cause by serious ASB)
- Reducing offending (including reoffending)
- Supporting families and those with multiple disadvantages
- Building sustainable community capacity and public confidence

A priority crime matrix has been developed and considers different offence types in addition to the key characteristics of victims, offenders, locations and time. All of these elements combined, assisted in the identification of the top SSP crime types and crime characteristics that most disproportionately affect Southwark communities. These are:

- knife crime
- youth violence
- domestic abuse
- alcohol related crime
- gun crime

**12.0 Southwark Council Plan**

Southwark Council has recently adopted a new council plan which sets out the leader’s vision of a fairer future for all in Southwark. The plan states:

***“The council will create a fairer future for all in Southwark by protecting the most vulnerable, by working with local people, communities and businesses to innovate, improve and transform public services, by looking after every penny as if it was our own and standing up for everyone’s right, especially young people in particular, to enjoy the enormous benefits and seize the opportunities that living in central London should offer.”***

A key part of plan is the ‘Southwark Charter’ that outlines the top ten promises for Southwark in 2011 to 2012. One of the promises is to, ‘work with the police to make the borough safer for all, cracking down on antisocial behaviour and implementing our new violent crime strategy’. The SSP through the council community safety team will lead on delivering this promise.

**13.0 Current good practice**

## Draft

Working in every secondary school in Southwark, police officers liaise with head teachers to create interactive lessons and initiatives tackling issues including cyber bullying and peer pressure. Every school has a named officer who is based within the Safer Neighbourhood Teams. The work of the school officers is also delivered within other youth setting such as youth clubs.

If someone under eighteen is arrested, the youth offending service (YOS) Victim Liaison Officers will make contact with the victims of that offence, offering the opportunity to have questions answered, have their views heard and/or meet the offender face-to-face. YOS Case Managers will work on hate issues with the offender in one-to-one supervision sessions or a group setting, with the aim of preventing further offending and making amends to the victim and the community.

London Probation Trust (LPT) works with offenders aged eighteen and over and uses a Diversity and Prejudice Awareness Pack (DAPP) resource for those people convicted of offences motivated by prejudice. LPT works with all types of hate crimes and offers support to staff that are case managing sentenced offenders, those undergoing reports and those in custody who pose significant risk on release.

All offenders committed of a hate crime offence have to attend an intervention programme to look at the underlying reasons for committing these offences. This may be one of the many interventions that an offender might have to take part in depending on their levels of need

### 14.0 Southwark Hate Crime Network

The SSP has taken an innovative approach to tackling hate crime utilising existing partnership resources. The Southwark Hate Crime Network (SHCN) was formed in September 2010. Facilitated by a community safety officer, its aim is to bring key organisations and individuals together, in partnership, to develop new initiatives to promote hate crime support and consider how to prevent these crimes occurring. Current membership of the SHCN includes representatives from community groups, service providers and enforcement agencies.

The overarching aims of the SHCN are to:

- Re-energise interest in tackling hate crime;
- Promote the support services available;
- Encourage communities to work together to tackle the issue;
- Encourage people to approach services for support and report;
- That a robust approach is taken in tackling perpetrators of hate crime

The SSP violent crime strategy (2011 to 2015) is a five year plan which sets out the underlying causes and impacts of violent behaviour and makes recommendations on how we can make best use of our resources, at a time when those resources will significantly reduced. One of the recommendations outlined in the strategy is a review of low level hate crime incidents. This work will provide greater strategic direction on the prevention specifically in relation to racial and homophobic crime.

### 15.0 Local Picture

The following data for the year 2010/2011 is derived from the Crime Reporting Information System (CRIS) which outlines demographics of both those accused of committing hate crimes in Southwark and those who are the victims of it. (NB. 'Accused' is defined as those individuals who have been charged with a hate crime offence, who may or may not have been convicted).

#### Race hate crime

##### Perpetrators

For the year 2010/2011 the majority of those accused of a race hate crime were males (81% male compared with 19% female).

Local data indicates that the majority age group of those accused of race hate crime was 31 – 35 (14%) with the second largest group being 41 – 45 (12%)

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The ethnicity of those accused of a race hate crime in Southwark were, in the main, white European (67%) with Afro-Caribbean being the second largest group (28% of total).

### Victims

For the year 2010/2011, the majority of victims of race hate crime in Southwark were male (56% compared with 34% female - 9% unknown).

The majority age group of victims were from the 26 – 30 (18%) with 36 – 40 being the second largest group (15%).

The majority of victims of race hate crime were from the Afro-Caribbean community (65%) followed by White European (28%) and Asian groups (24%).

### Homophobic hate crime

#### Perpetrators

For the year 2010/ 2011 the majority of those accused of a homophobic hate crime in Southwark were males (97% compared with 3% female).

The majority age group of those accused of homophobic hate crime was 21 – 25 (31%) with the second largest age group being 26 – 30 (16%).

The ethnicity of those accused of a homophobic hate crime were, in the main White European (53%) with Afro-Caribbean being the second largest group (30%).

#### Victims

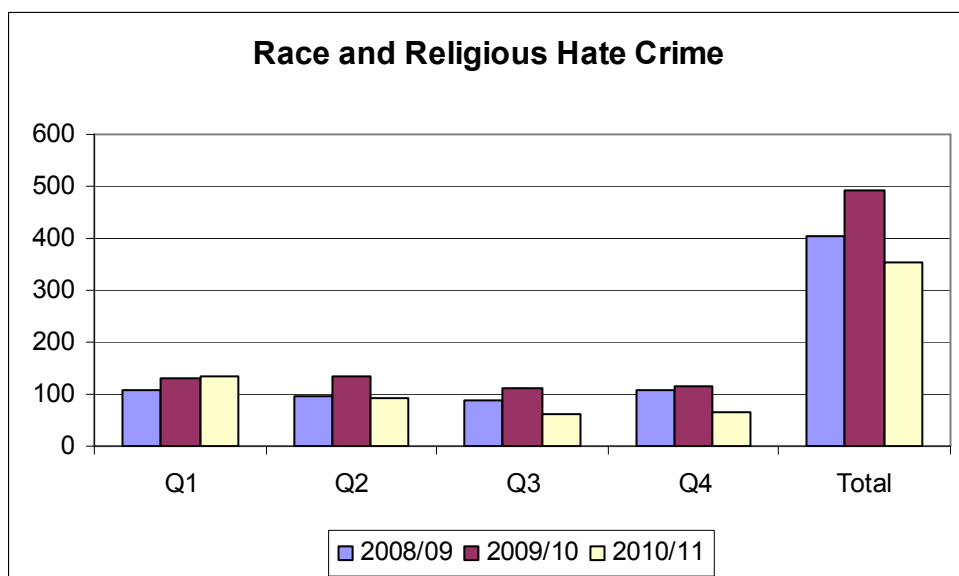
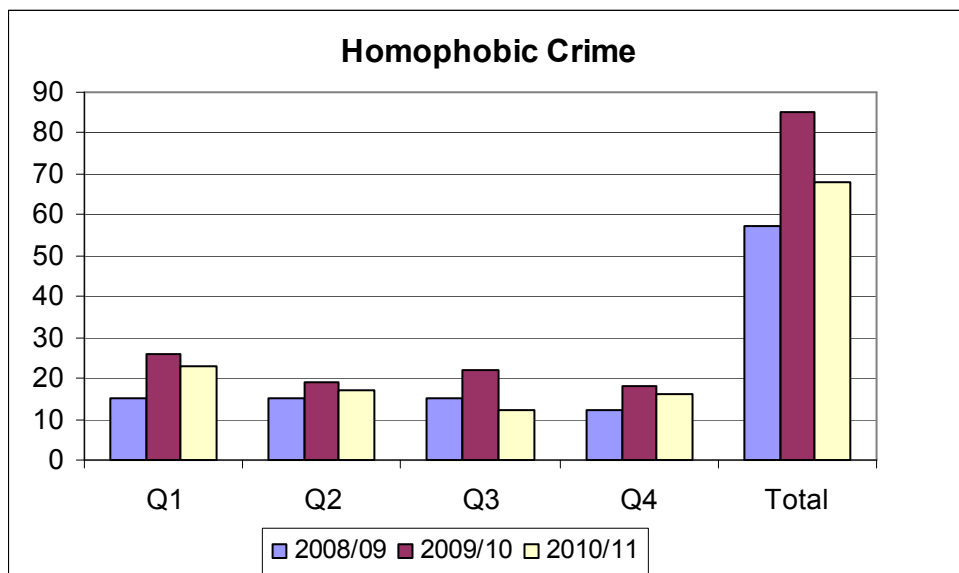
For the year 2010/2011, the majority of victims of homophobic hate crime in Southwark were male (76% male compared with 21% female, 3% unknown).

The majority age group of victims were from the 26 – 30 group (19%) with 31 – 35 being the second largest group (18%).

The majority of victims of homophobic hate crime were from the white European group (53% of total) with Afro-Caribbean (31%) coming next. This is different to race hate crime where the majority of victims were Afro-Caribbean (65%)

As is demonstrated by the following graphs and information, Southwark, has seen a drop in the number of reports of hate crime, this drop in numbers of reports to the police is reflected London wide.

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### 16.0 Disability hate crime

During 2008 to 09 there were 402 victims of Race and Religious hate crime. Of all crimes flagged as having a Race or Religious hate element, 2.7% noted that the victim had some form of disability

During 2009 to 2010 there were 493 victims of Race and Religious hate crime. Of all crimes flagged as having a Race or Religious hate element, 2.2% noted that the victim had some form of disability

During 2010 to 2011 there were 354 victims of Race and Religious hate crime. Of all crimes flagged as having a Race or Religious hate element, 1.4% noted that the victim had some form of disability

In the financial year April 2010 to March 2011 there were 12 disability hate crime incidents reported to the police in Southwark

### 17.0 Recommendations to deliver the hate crime agenda

In June 2011, the SHCN worked in partnership to develop an event (Prevent it, report it) which brought together five key speakers to discuss the following themes:

- The Government's approach to hate crime

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- Enabling Communities to Identify hate crime and to build trust and confidence in agencies to report it
- Restorative justice
- National hate crime work
- Work taking place in schools to tackle homophobia

The event, attended by one hundred people from a broad range of services, community groups and voluntary, statutory and non-statutory organisations, proved to be a success in terms bringing individuals and organisations together to share ideas and concepts. Attendees also started to shape the future direction and priorities of hate crime work through facilitated workshops.

Following the event, the SHCN developed a number of overarching proposals to support the development and ensure success of the first hate crime strategy in Southwark.

### **SHCN proposals for the development of a hate crime strategy 2011/2015**

- The hate crime strategy 2011 to 15 and its action plan will be supported and steered by the SHCN. The existence of this group sends a clear message that the issue is being taken seriously, will not be tolerated and that there is preventative work taking place
- The SHCN will continue to make recommendations on ways to both tackle the causes of hate crime and support the victims and witnesses.
- The SHCN will provide a gateway to identify community tensions and community intelligence and continue to develop good community relations
- The development work needs to be realistic; there are fewer services and no money. In this current financial climate we will not be able to develop high profile campaigns, we must utilise what services and energy we have and develop community groups and organisations to offer support to victims and witness of hate crime
- Work with academics, policy makers and data analysts to identify trends and patterns in hate crime
- Review how tools such as restorative justice, community engagement, community empowerment and harm reduction could be used to transform conflict
- Any work should acknowledge that we are working with people's expectations, whether they are positive, negative or ambivalent

### Working with communities

- The developing work needs to be meaningful to the community in that we need to make 'hate crime' an accessible concept that supports peoples' understanding and awareness of the potential impacts and that people have access to accessible and inventive information that caters to a wide demographic group
- Linking community intelligence with statistics we will develop a picture of which local communities are being targeted, in which ways and how this is impacting on community cohesion
- We need to increase the level of participation and involvement of local people and community groups in tackling the broad issues of hate crime and support local people to make decisions on how we might reduce and respond to hate crime within their local area
- We need to be tackling the issues of diversity and equality with young people both to encourage community cohesion and to demonstrate the impacts of hate crimes on individuals and communities

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- We should be reviewing how and where hate crime affects communities with particular needs such as asylum seekers and homeless people

### Raise Awareness and Increase Reporting

- Reporting should be made as easy as possible by having a broad range of reporting opportunities that offer people face to face tools and/ or harness's new forms of technology
- Although it is important that we encourage people to report hate crimes, we have to acknowledge that some people will not do this for a variety of reasons. It may be possible to at least build an environment where it is possible for people to record hate crimes without formally reporting as the latter may not be a realistic option for people
- A new training and awareness package should be developed to both raise awareness of the issues and support the diverse community groups to actively play a role in support networks
- There should be key hate crime messages that are developed and promoted through a Southwark network of agencies and organisations
- That Southwark commissions Stop Hate UK, to commence December 2011 (to be reviewed 6 monthly) to operate its 24 hour services, cost to be split equally between Southwark Council and Southwark police

### Perpetrators

- Work should be developed to explore the reasons why people become perpetrators of hate crimes
- The role of the enforcement services needs to be reviewed, particularly in relation to persistent offenders. We need to ensure a robust approach so that perpetrators know that this behaviour will not be tolerated and that there will be consequences for their crimes.

### 18.0 How we will measure success

Success of the hate crime work will be measured through delivery of the strategic objectives within the hate crime delivery plan. The work will be monitored and evaluated by members of the SHCN who will then review the successes gained and areas in which we still need to develop which will then inform the next strategy beyond 2015.

The hate crime strategy is a live document. We will continue to engage and consult with the communities most affected by hate crime to ensure that the strategic aims and objectives remain pertinent.

These proposals have been considered and have been formulated into a delivery plan, under the five key objectives (pg 15):

#### Re-energise interest in tackling hate crime

- Develop a shared understanding of what a 'hate crime' is and communicate this with individuals, community groups and organisations
- Provide regular hate crime updates to the developing mailing list
- Review where and how hate crime work takes place in schools/ youth environments and make recommendations for future work
- Review the effects that restorative justice has had in schools and youth groups
- Plan a follow up hate crime event for 2012

#### Promote the support services available

- Develop hate crime communication messages
- To create and promote an up to date directory of services/ support available
- Develop resources to promote the support available
- Utilise existing communications tools to cascade information

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- Utilise new and existing technology (blogs, e-bulletins, social networking sites, podcasts etc) to provide information

### **Encourage communities to work together to tackle the issue**

- Develop hate crime awareness training
- Build a community network of support and signposting organisations (Single Points of Contact) to effectively support and refer to the appropriate support
- Develop a shared understanding of who, where and how hate crimes affect communities
- Promote stories where positive action has been taken to tackle hate crime
- Include information within the ASB community newsletter
- Develop tools for enabling communities to feed into an ever developing map of hate crime problem locations and issues

### **Encourage people to approach services for support and report**

- Work towards ensuring resources and information is as accessible as possible
- Review the various ways, tools and resources that people can use to record/ report a hate crime
- Develop new and existing tools for recording and reporting hate crime
- To develop a hate crime minimum standards
- Work to build community confidence in recording and reporting hate crimes

### **That a robust approach is taken in tackling perpetrators of hate crime**

- To develop a picture of a Southwark hate crime 'hot spot areas' to enable multi agency work to be developed, targeted and evaluated to benchmark best practise
- Enforcement agencies to be invited to engage with the SHCN to support dialogue and a multi agency approach to tackle hate crime
- Enforcement agencies to have more information about and a wider understanding of the work of the support agencies and community groups so that appropriate referrals can be offered to meet each individuals needs
- Enforcement agencies, alongside support services, to be provided with hate crime awareness training
- Improved risk assessment process's for vulnerable individuals to reduce their risk of victimisation

## Draft

| Hate crime delivery plan 2011/13                   |  |                                 |                     |              |  |   |
|--|--|---------------------------------|---------------------|--------------|--|---|
| Strategic Aims                                     | Objectives   | Lead/ who else involved         | Resources           | Completed by | Triggers   | Step changes  |
| <b>Re-energise interest in tackling hate crime</b> | Develop a shared understanding of what a 'hate crime' is and communicate this with individuals, community groups and organisations | Hate Crime Working Group (HCWG) | HCWG                | Mar-12       | <ul style="list-style-type: none"> <li>•create database of community groups to communicate with</li> <li>•develop hate crime message/ definition</li> </ul>  | <ul style="list-style-type: none"> <li>•key hate crime messages developed and shared</li> </ul>               |
|  | Provide regular hate crime updates to the developing mailing list  | Dax Ashworth                    | officer time        | ongoing      | <ul style="list-style-type: none"> <li>•utilise hate crime database</li> <li>•create email bulletins with hate crime updates/ stories of interest</li> <li>•send out monthly</li> </ul>  | <ul style="list-style-type: none"> <li>•regular contact made with individuals and community groups</li> </ul> |
|  | Review where and how hate crime work takes places in schools/ youth environments and make recommendations for future work          | HCWG                            | HCWG                | Mar-12       | <ul style="list-style-type: none"> <li>•find out who to meet with to create picture of local work</li> <li>•identify where and how work takes places</li> <li>•form a plan and make recommendations for future work</li> </ul> | <ul style="list-style-type: none"> <li>•up to date information on work with young people collected</li> </ul> |
|  | Review the effects that restorative justice has had in schools and youth groups  | HCWG/ Children's services       | Children's services | Dec-12       | <ul style="list-style-type: none"> <li>•identify what work takes place and by who</li> <li>•identify how we can demonstrate positive outcomes</li> </ul>   | <ul style="list-style-type: none"> <li>•the work of restorative justice promoted</li> </ul>                   |



## Draft

|   |  |                                       |                  |                     |   |  |
|---|--|---------------------------------------|------------------|---------------------|---|--|
|   | Plan a follow up hate crime event for 2012                                   | HCWG                                  | HCWG             | Jun-12              | <ul style="list-style-type: none"> <li>•plan themes for a follow up event</li> <li>•develop promotional materials</li> <li>•promote the event</li> <li>•involve the local community</li> <li>•evaluate the event/ any findings</li> </ul> | •an event happens to continue to develop a community network of organisations working together |
| <b>Strategic Aims</b>                         | <b>Objectives</b>  | <b>Lead/ who else involved</b>        | <b>Resources</b> | <b>Completed by</b> | <b>Triggers</b>   | <b>Step changes</b>  |
| <b>Promote the support services available</b> | Develop hate crime communication messages                                    | HCWG                                  | HCWG             | ongoing             | <ul style="list-style-type: none"> <li>•that messages/ themes are developed</li> <li>•that these are included and promoted in our network or agencies</li> </ul>  | •key hate crime messages developed and shared  |
|   | To create and promote an up to date directory of services/ support available | Southwark Legal Advice Network (SLAN) | SLAN             | Dec-11              | •that a scoping exercise takes place to review what organisations offer hate crime support  | •directory of services guide resource developed  |

## Draft

|  |  |                    |              |         |   |   |
|--|--|--------------------|--------------|---------|---|---|
|  | Develop resources to promote the support available   | HCWG               | HCWG         | ongoing | <ul style="list-style-type: none"> <li>•review current services available for hate crime support/ reporting</li> <li>•develop and design resource (PDF file) listing services</li> <li>•involve the community in developing resources</li> <li>•distribute resource widely</li> </ul> | •a variety of resources produced with community involvement |
|  | Utilise existing communications tools to cascade information   | Dax Ashworth/ HCWG | officer time | ongoing | <ul style="list-style-type: none"> <li>•review current communication tools available</li> <li>•develop information accordingly</li> </ul>   | •information disseminated                                   |
|  | Utilise new and existing technology (blogs, e-bulletins, social networking sites, podcasts etc) to provide information | Dax Ashworth/ SHCN | officer time | ongoing | •identify which methods and technologies would be the most efficient and useful in cascading hate crime information   | •information disseminated                                   |

## Draft

|   |   |                                |                  |                     |  |   |
|---|---|--------------------------------|------------------|---------------------|--|---|
| <b>Encourage communities to work together to tackle the issue</b> | Develop and deliver hate crime awareness training   | Dax Ashworth/ SHCN             | officer time     | Feb-13              | <ul style="list-style-type: none"> <li>•develop training</li> <li>•include within the faculty academy training opportunities</li> <li>•promote training widely</li> <li>•encourage participation from local community groups</li> <li>•review and evaluate training</li> </ul>                     | •a training the trainer hate crime package is up and running          |
| <b>Strategic Aims</b>   | <b>Objectives</b>   | <b>Lead/ who else involved</b> | <b>Resources</b> | <b>Completed by</b> | <b>Triggers</b>  | <b>Step changes</b>   |
|   | Build a community network of support and signposting organisations (Single Points of Contact) to effectively support and refer to the appropriate support | Dax Ashworth/ SHCN             | officer time     | ongoing             | <ul style="list-style-type: none"> <li>•identify and encourage community groups and organisations to take up the hate crime training package</li> <li>•train individuals within organisations to be able to self define how they can support victims and/ or perpetrators of hate crime</li> </ul> | •a network of support organisations is available for people to access |

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|  |   |              |              |         |   |   |
|--|---|--------------|--------------|---------|---|---|
|  | Develop a shared understanding of who, where and how hate crimes affect communities                                   | SHCN         | SHCN         | Mar-12  | <ul style="list-style-type: none"> <li>•utilise findings from Southwark hate crime event, community intelligence and research to create picture of local communities and how each experience hate crimes</li> </ul> | <ul style="list-style-type: none"> <li>•key hate crime messages developed and shared</li> </ul>   |
|  | Promote stories where positive action has been taken to tackle hate crime   | SHCN         | SHCN         | ongoing | <ul style="list-style-type: none"> <li>•source positive stories/ outcomes of hate crime work</li> <li>•develop tools to promote good practise</li> </ul>  | <ul style="list-style-type: none"> <li>•key hate crime messages developed and shared</li> </ul>   |
|  | Include information within the ASB community newsletter   | Dax Ashworth | officer time | ongoing | <ul style="list-style-type: none"> <li>•create articles/ stories to be included within the ASB e-bulletin</li> </ul>  | <ul style="list-style-type: none"> <li>•key hate crime messages developed and shared</li> </ul>   |
|  | Develop tools for enabling communities to feed into an ever developing map of hate crime problem locations and issues | SHCN         | SHCN         | ongoing | <ul style="list-style-type: none"> <li>•identify best practise for developing tools for creating community intelligence regarding hate crimes</li> </ul>  | <ul style="list-style-type: none"> <li>•Information on hate crime hot spot areas is created to steer the SHCN in bringing in key service providers together to work towards tackling the issues raised</li> </ul> |

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|   |   |      |      |         |  |  |
|---|---|------|------|---------|--|--|
| <b>Encourage people to approach services for support and report</b> | Work towards ensuring resources and information is as accessible as possible                    | SHCN | SHCN | ongoing | <ul style="list-style-type: none"> <li>•ensure any documents are in plain English</li> <li>•develop a culture where local hate crime information aims to be accessible to all</li> <li>•consider different ways other than word documents that can be utilised to cascade information</li> </ul> | •that resources are available to a wide demographic of people      |
|   | Review the various ways, tools and resources that people can use to record/ report a hate crime | SHCN | SHCN | ongoing | •have a list of the various methods individuals and communities can record/ report a hate crime  | •people are aware of various ways to report and places for support |
|   | Develop new and existing tools for recording and reporting hate crime                           | SHCN | SHCN | ongoing | •for the HCWG to make recommendations to enable people to record/ report hate crimes   | •that resources are available to a wide demographic of people      |

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|  |   |      |              |         |   |  |
|--|---|------|--------------|---------|---|--|
|  | To develop a hate crime minimum standards                                 | SHCN | officer time | May-12  | <ul style="list-style-type: none"> <li>•to review existing hate crime minimum standards to identify best practise</li> <li>•to develop a local hate crime minimum standards</li> <li>•to promote to the community</li> </ul>  | <ul style="list-style-type: none"> <li>•people are aware of various ways to report and places for support</li> </ul> |
|  | Work to build community confidence in recording and reporting hate crimes | SHCN | SHCN         | ongoing | <ul style="list-style-type: none"> <li>•to review where and how community confidence is currently recorded</li> <li>•identify the barriers to reporting hate crimes</li> <li>•to utilise community intelligence to inform the work on ways to build food community relations</li> </ul> | <ul style="list-style-type: none"> <li>•community intelligence informs the development of the work</li> </ul>        |

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|  |   |                     |                                       |                |   |  |
|--|---|---------------------|---------------------------------------|----------------|---|--|
| <p><b>That a robust approach is taken in tackling perpetrators of hate crime</b></p> | <p>To develop a picture of a Southwark hate crime 'hot spot area' to enable work to be developed and targeted at a particular location and evaluated to benchmark best practise</p>                                       | <p>SHCN</p>         | <p>SHCN</p>                           | <p>Dec-12</p>  | <ul style="list-style-type: none"> <li>•utilising community intelligence, police and analyst data to identify a hate crime 'hot spot' area</li> <li>•to implement a development plan to explore the hot spot issues</li> <li>•to evaluate any work and benchmark best practise</li> </ul> | <ul style="list-style-type: none"> <li>•multi agency approach in tackling hate crime in a hot spot area/ locality</li> </ul>   |
|  | <p>Enforcement agencies to be invited to engage with the SHCN to support dialogue and a multi agency approach to tackle hate crime</p>  | <p>Dax Ashworth</p> | <p>SHCN/<br/>enforcement agencies</p> | <p>ongoing</p> | <ul style="list-style-type: none"> <li>•enforcement agencies and members of the SHCN meet</li> <li>•that a follow up hate crime event is planned with a focus on tackling the perpetrators of hate crime</li> </ul>   | <ul style="list-style-type: none"> <li>•that a hate crime event happens</li> <li>•that SHCN and enforcement agencies continue to have dialogue and multi agency approach to tackling hate crime</li> </ul> |
|  | <p>Enforcement agencies to have more information about and a wider understanding of the work of the support agencies and community groups so that appropriate referrals can be offered to meet each individuals needs</p> | <p>Dax Ashworth</p> | <p>SHCN/<br/>enforcement agencies</p> | <p>ongoing</p> | <ul style="list-style-type: none"> <li>•that information is shared through community events and meetings</li> <li>•that information is shared through hate crime awareness training</li> </ul>  | <ul style="list-style-type: none"> <li>•that opportunities exist to share information</li> <li>•that effective referrals to appropriate services continue to be developed</li> </ul>                       |

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|  |   |              |      |         |  |  |
|--|---|--------------|------|---------|--|--|
|  | Enforcement agencies, alongside support services, to be provided with hate crime awareness training | Dax Ashworth | SHCN | SHCN    | •that a hate crime awareness training package is developed, promoted and delivered   | •that a range of support services and enforcement agencies attend and participate in hate crime training   |
|  | Improved risk assessment process's for vulnerable individuals to reduce their risk of victimisation | Bede House   | SHCN | ongoing | •that the SHCN work with the lead to support and develop a risk assessment form<br>•that this information is included within any training the trainer or hate crime awareness training | •that Southwark has a standardised risk assessment form/ process<br>•that support agencies and enforcement agencies are informed and involved in how the risk assessment form operates |



|                                 |                               |   |                                 |
|---------------------------------|-------------------------------|---|---------------------------------|
| <b>Item No.</b><br>16.          | <b>Classification</b><br>Open | <b>Date:</b><br>13 December 2011  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>            |                               | Disposal of the Rotherhithe Library, Albion Street, London SE16 7HY     |                                 |
| <b>Ward or groups affected:</b> |                               | Rotherhithe   |                                 |
| <b>Cabinet Member:</b>          |                               | Councillor Richard Livingstone, Finance, Resources and Community Safety |                                 |

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

Last month saw the opening of the new Canada Water library, which is already massively popular and a great asset to the community of Rotherhithe. When the decision was taken to build this library in 2007 it was agreed to dispose of the Rotherhithe Library and Civic Centre in Albion Street to offset some of the cost of that project.

This report recommends the approval of the disposal of that site to Canada Quays Limited. Their bid was not only the highest value compliant bid but also came from a company that has a good working relationship with the local community. Canada Quays Limited propose to redevelop the site to create new homes together with commercial and community uses on the ground floor – this ground floor usage is likely to have the additional benefit of increasing footfall on Albion Street and could therefore help reinvigorate trade in a street whose decline has been a matter of considerable local concern.

### **RECOMMENDATIONS**

That Cabinet agrees:

1. To the disposal of the Rotherhithe Library and Civic Centre ('The Property'), shown edged in bold at Appendix 1, to Canada Quays Limited on the principal terms set out in the report on the closed agenda for this meeting.
2. To authorise the head of property to agree any variations to those terms that may be necessary to achieve the disposal of the Property and in the event of further negotiations and securing full planning consent by the selected bidder.
3. That in the event the sale to Canada Quays Limited does not proceed to completion, the head of property is authorised to agree terms for a sale to any one of the recommended under bidders, provided that these terms conform to the council's legal obligation to achieve the best consideration reasonably obtainable.

### **BACKGROUND INFORMATION**

4. At its meeting on 20 March 2007 the then executive approved the building of a new library in Canada Water to replace the existing Rotherhithe Library at Albion Street. As part of the report the following recommendation was agreed:

“That the executive agree in principle the closure and disposal of the existing Rotherhithe Library site for redevelopment to assist with the revenue and capital funding of the new facility and that they note that a further detailed disposal report will be brought back to the executive at a future date.”

5. The Property is a substantial two storey brick building on ground and upper floors with basement car parking and storage.
6. The director of environment and housing declared the Property surplus to requirements on 12 April 2011 and it was vacated on 14 November 2011. Since this date, to protect the security of the Property, it has been occupied by guardians. The Property is considered to be vulnerable to squatting so that it is in the council's best interest to complete a sale as soon as possible.
7. As part of the sale process the head of property arranged for the Property to be valued and the receipt is included as part of this year's capital programme.
8. For planning purposes the existing use of the Property is D1 non residential institutional. This use class includes such activities as a place of worship, crèche, school or youth club so that the use of the Property for any of these purposes would not require planning consent for a change of use.
9. The Property was marketed on behalf of the council by DTZ. In line with normal council practice interested parties were asked to confirm:
  - The price offered.
  - A financial reference that they have access to the funds to complete the purchase.
  - Details of the proposed use for the Property.
  - Evidence of the bidder's track record in line with their proposal.
10. As part of the process bidders were also asked to confirm the treatment of overage:
  - Disposal overage – to manage the risk from someone making a speculative or opportunistic bid prospective purchasers were asked to confirm they would share any uplift in value if during the next ten years the Property was sold on.
  - Change of use overage – again to discourage speculative or opportunistic bids, prospective purchasers were asked to confirm they would share any uplift in value should the Property achieve planning consent for a use other than that detailed in their offer.
  - Sales, commercial and planning overage – for bids to redevelop the Property for residential or commercial uses the bidder was asked for their proposal to share additional value if their development should outperform certain key value indicators.
11. By the closing date nine submissions were received and are summarised in the report on the closed agenda for this meeting.

## **KEY ISSUES FOR CONSIDERATION**

12. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration requirements. The head of property confirms that the sale of the Property will equate to the best consideration that can reasonably be obtained.
13. The report on the closed agenda for this meeting includes the details of the various offers and the recommendation on which to accept. A number of these bids were either below the head of property's valuation or did not include all of the required information which means they were non-compliant. In either case the offers could not be accepted.

### **Resource implications**

14. There are no direct staffing implications arising from the proposed disposal strategy. Officer time to effect the recommendations will be contained within existing budgeted resources.

### **Financial implications**

15. The proposal should generate a substantial capital receipt to contribute towards the council's capital programme.
16. The council's legal and surveying costs up to a maximum sum as referred to in the closed report will be met by the purchaser.

### **Legal Implications**

17. When disposing of assets the council is under a duty not to sell for less than the best consideration that can reasonably be obtained. In this case the highest compliant offer received was from Canada Quays Limited.
18. That being the case, the offer from Canada Quays Limited represents the best price reasonably obtainable so that the council's legal and fiduciary duties are satisfied.

### **Policy implications**

19. As is well known, Southwark along with much of the rest of the country suffers from an undersupply of both affordable and private housing. The council has numerous policies that support the building of new homes and a residential scheme here would help address a proven need and deliver a council priority.
20. The council has a target of 24,450 new homes being built within the borough from 2011-2016. Albion Street is in the core area of the Canada Water AAP which has a target to supply at least 2,500 new homes over the life of the plan. Redeveloping the Property for housing would be consistent with the residential character of the area and would contribute towards both of these targets.
21. Although not a policy document the council recently published a, "Guide for faith group premises in Southwark". This was done in recognition of the large number of faith groups and churches looking to locate in the borough. The purpose of

the guide is to promote better knowledge of the various legal requirements associated with faith groups, to increase compliance and assist faith groups in meeting their legal requirements.

22. Among other things the guide encourages faith groups to consider planning requirements and to look for buildings with a D1 planning use. The Property has a D1 use and in theory could assist in meeting the demand from faith groups.

### **Community impact statement**

23. The Property is located on Albion Street, once a thriving retail street at the heart of the Rotherhithe docklands community. Over several decades the area has experienced considerable change including: the closure of the docks; dislocation caused by the building of the Rotherhithe Tunnel; changing shopping patterns and increased competition from the Surrey Quays Shopping Centre. The cumulative effect of all of these factors is that Albion Street has declined as a commercial centre and the street is now predominately residential in character.
24. Concern at the decline of Albion Street is a theme regularly raised by local people. That was the case during the preparation of the Canada Water Area Action Plan that came to the conclusion that the regeneration of Albion Street should be promoted. The measures proposed to achieve this include improving permeability through the area, diversifying the retail offer and improving the public realm. The Property was specifically identified as an opportunity to improve the street.
25. By selling the Property for redevelopment for a residential scheme with commercial and community uses on the ground floor the council will be supporting the objective of regenerating the street, which is a priority for local people.
26. Building new homes will also help address a proven need and deliver a council priority. Bringing additional spending power to the area will also help support local shops.

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

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

27. Cabinet is advised that Section 123 of the Local Government Act 1972 provides that except with the consent of the Secretary of State, a council shall not dispose of non housing land, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained. It is noted at paragraph 12 of this report that the head of property considers that the proposed sale to Canada Quays Limited represents the best consideration that can reasonably be obtained.

#### **Finance Director**

28. This report recommends that the cabinet agrees to the disposal of the Rotherhithe Library and Civic Centre to Canada Quays Limited on the principal terms set out in the report on the closed agenda for this meeting plus various authorities being granted to the head of property.
29. Paragraph 18 confirms that the offer recommended for agreement represents best consideration.

30. Paragraph 16 confirms that the council's reasonable legal and surveying costs up to a maximum sum will be met by the purchasers. Officer time to effect the recommendations will be contained within existing budgeted resources, as detailed within paragraph 14.

#### BACKGROUND DOCUMENTS

| Background Papers   | Held At   | Contact                        |
|---------------------|---|--------------------------------|
| Correspondence file | Property Services<br>160 Tooley Street,<br>London SE1 2QH | Fahad Nakendo<br>020 7525 5359 |

#### APPENDICES

| No.        | Title                 |
|------------|-----------------------|
| Appendix 1 | Site Plan of Property |

#### AUDIT TRAIL

|   |   |                          |                 |
|---|---|--------------------------|-----------------|
| <b>Cabinet Member</b>   | Councillor Richard Livingstone Cabinet Member Finance, Resources and Community Safety |                          |                 |
| <b>Lead Officer</b>   | Eleanor Kelly, Deputy Chief Executive   |                          |                 |
| <b>Report Author</b>  | Fahad Nakendo, Surveyor   |                          |                 |
| <b>Version</b>  | Final   |                          |                 |
| <b>Dated</b>  | 2 December 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>                    |   |                          | 2 December 2011 |



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|                        |                                |   |                                 |
|------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>17. | <b>Classification:</b><br>Open | <b>Date:</b><br>13 December 2011  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>   |                                | Badminton House, Quorn Road, SE22 – Disposal of Freehold interest       |                                 |
| <b>Wards affected:</b> |                                | South Camberwell  |                                 |
| <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 recommends the sale of Badminton House on the edge of the East Dulwich Estate. Cabinet agreed on 31 May to dispose of this site. The report identifies the risk of squatting if this building is left as it is. The commercial tenants in the shops at ground level will maintain their leases after the sale.

The proceeds of the sale will go to the housing investment programme to help make every council home warm, dry and safe. In doing so, it will replenish the resources from that programme used to refurbish the East Dulwich Estate. This is necessary as a result of the significant over-spend on the Southwark Estate Initiative programme to regenerate that estate.

### **RECOMMENDATIONS**

1. That cabinet approves the disposal of the council's freehold interest in Badminton House, Quorn Road, SE22 ("the Property") on terms outlined in the closed version of this report, subject to council assembly's approval of an application to the Secretary of State for the Department for Communities and Local Government ("DCLG") for consent to the disposal of the property.
2. That cabinet recommends to council assembly that it approves an application to DCLG for consent to the disposal of the Property.
3. That cabinet authorises the capital receipt to replenish the Housing Investment Programme from which the East Dulwich Estate refurbishment programme was forward funded.
4. That cabinet authorises the head of property to agree any minor variations to the terms of the sale, with the purchaser, which may arise prior to completion of the transaction or alternatively to agree terms with any of the under bidders subject to best consideration requirements if in the unlikely event the original offer fails to progress to completion.

## BACKGROUND INFORMATION

5. The East Dulwich Estate (which is held for housing purposes) was first identified for regeneration in 1997 and formed part of the Southwark Estates initiative (SEI), agreed by housing committee on 15 December 1998. The scheme proposed redevelopment and refurbishment to the estate of 753 properties in 24 blocks. Following a review, the executive agreed a new approach to this regeneration programme in April 2005. Whilst the scheme has largely been delivered cabinet approved on the 31 May 2011 variations of approach to both complete the regeneration and crucially to provide funding to reimburse the housing investment programme for expenditure already made.
6. The scheme is based on the SEI principle of self financing. Resources for the scheme are to be generated from a combination of ring fenced disposals from outside the estate and disposals of property assets from the estate itself. The cabinet report of the 31 May detailed the financial position which clearly identified the significant cost overruns to the project and the need to identify further property assets from within the estate to compensate for the increased expenditure incurred by the council necessary to complete the scheme.
7. Following consideration of a report dated the 31 May 2011 entitled 'East Dulwich Estate Regeneration Scheme Update and Proposals for Revision', cabinet resolved that 'in principle agreement be given to the disposal of Badminton House, including the commercial interests, to a third party and detailed terms to be considered at a later date'.
8. The property is a five storey traditionally built block currently arranged as two retail units situated on the ground floor and eleven residential units of varying bed sizes spread over the five floors. The retail units are let on commercial leases and are actively trading. All the residential units are empty. The property is identified in bold outline on the attached ordnance survey extract, at appendix 1.
9. Following the cabinet decision on the 31 May, the property has been marketed for sale by the council's property team. Following the preparation of both a brochure together with a relevant sales pack and after undertaking adequate due diligence, advertisements were placed in the Estates Gazette on the 9 July and 30 July. A sales board was also erected at the property during the period of marketing and a series of regular viewings were held for prospective purchasers.
10. A list of property contacts including, developers, architects, investors, registered providers and housebuilders were all sent a brochure detailing the development opportunity arising from the proposed sale. These marketing actions generated a healthy response by those that sought further information and the sales pack that detailed the informal tender process.
11. The informal tender exercise generated twelve bids from eleven bidders. Eleven of these bids were received by the bid date of the 23 September 2011. These are detailed in the spreadsheet contained in the closed version of this report.



12. From these twelve bids the top two bidders were asked to submit their best and final offers by the 7 October. These 'final' bids are detailed in the closed version of this report.
13. The property is currently empty save for the retail units that occupy part of the ground floor. Although the Property has been robustly secured with metal grilles and security doors, it is at risk of further deterioration and becoming squatted.
14. The property is held in the housing revenue account (HRA).
15. The property was declared surplus to the council's requirements by the then strategic director of regeneration and neighbourhoods on 5 July 2011.

### **KEY ISSUES FOR CONSIDERATION**

16. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration requirements. The head of Property confirms that the sale of the property will comply with these requirements and the price achieved equates to its current market value.
17. The property has been properly marketed for sale by Informal tender and the highest bidder has been identified, thus complying with the council's statutory duty to achieve best consideration. The details of which are contained in the closed version of this report.
18. The sale of the property to a third party developer and/or investor should ensure that it is quickly brought back into beneficial use.
19. The capital receipt that will be generated as a result of the sale of the property is needed as a contribution to the costs of the estate refurbishment. These costs rose as the project progressed from an initial total capital cost of £25.1m to £30.9m. Cabinet have approved that this additional resourcing will be met by the sale of additional voids and the sale of the property.

### **Policy implications**

20. The disposal of the property will generate a substantial capital receipt, which will be used to provide capital funding in support of the council's key priorities. This includes the provision, refurbishment and redevelopment of affordable housing. This assists the council in meeting its commitment to regeneration and sustainability in housing as demonstrated through the 2009-2016 Southwark Housing Strategy.
21. The disposal of the property is consistent with the recommendations contained within the report considered by cabinet on the 31 May 2011 entitled 'East Dulwich Estate Regeneration Scheme Update and Proposals for Revision'.

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

22. The sale of properties within the HRA stock will have a negative impact on the number of council properties available to let. However, this will be offset by gains

made through investment to retained stock.

23. 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.
24. The commercial tenants occupy their units on leases which have statutory protection which will continue after the sale of the property. They have been advised of the sales process and of the relatively small impact that a change of ownership will have on them.

### **Community impact statement**

25. The East Dulwich Estate regeneration project team (EDERPT) has been central to the delivery of the estate regeneration. Consultation and regular communication with the group has been ongoing throughout the delivery of the overall regeneration project. EDERPT are opposed to the outright disposal of the property.
26. Any planning application seeking to redevelop or change the use of any part of the property will have to conform to the requirements of the local development framework and will be subject to the statutory consultation process.
27. Any refurbishment or redevelopment of this currently deteriorating and empty block will likely have a positive benefit on the wider community.

### **Resource implications**

28. The HRA 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 are no current recurring costs.
29. As the property is being disposed of under the strategy, set out in the report to Executive 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.
30. There will be loss of rental income derived from the retail units. These currently generate a combined rental of £13,300 per annum.
31. The purchaser has agreed to pay the council a contribution towards its surveyors and legal costs. This is based upon 0.5% of the purchase price.
32. Disposals expenditure would include reasonable incidental management and legal charges which would be reimbursed from receipts, as well as sales and marketing costs.
33. The proposed transaction is largely without condition and therefore should complete within the financial year.
34. There are no other risks or costs involved.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Strategic Director of Communities, Law & Governance

35. Cabinet is advised that as the property is land held for housing purposes any disposal of it can only proceed in accordance with Section 32 of the Housing Act 1985 (as amended) (“the 1985 Act”), for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required (“the DCLG”). However, a number of general consents have been issued in The General Housing Consents 2005 (“the General Consents”) which permit the sale of housing land, provided that certain conditions are met.
36. The proposed disposal of the Property is one which is not permitted under the General Consents and therefore the council will need to seek the consent of the DCLG to the disposal of the property. The recommendation to dispose of the Property is a matter reserved to cabinet for collective decision making under Part 3C, paragraph 13 of the council’s constitution. Agreeing an application to the DCLG for consent to dispose of the Property is a matter reserved to council assembly under Part 3A, paragraph 12 of the council’s constitution.

### Finance Director

37. This report concerns the disposal of the council’s freehold interest in Badminton House, Quorn Road, and the use of the capital receipt to replenish the housing investment programme. This is subject to the head of property agreeing any minor variations with the purchaser.
38. The finance director notes best consideration will be obtained as outlined in paragraph 16, and that the purchaser will pay a further 0.5% as a contribution to the council’s surveying and legal fees laid out in paragraph 31. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

## BACKGROUND DOCUMENTS

| Background Papers                           | Held At  | Contact                      |
|---|--|------------------------------|
| Badminton House, Quorn Road,<br>London SE22 | Paul Davies<br>Development Team, Property<br>Division,<br>160 Tooley Street,<br>London SE1 2QH | Paul Davies<br>020 7525 5529 |

**APPENDICES**

| No.        | Title  |
|------------|--|
| Appendix 1 | OS plans, indicating the property – Outlined in bold |

**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>  | Paul Davies, Principal Surveyor   |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 2 December 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>                    |   | 2 December 2011          |

TITLE.

1 to 11 Badminton House,  
Quorn Road, SE22 8BH.

Appendix 1



DRAWING No.

LBS\_2566

DRAWN BY.

MMANKTELOW  
Property Division

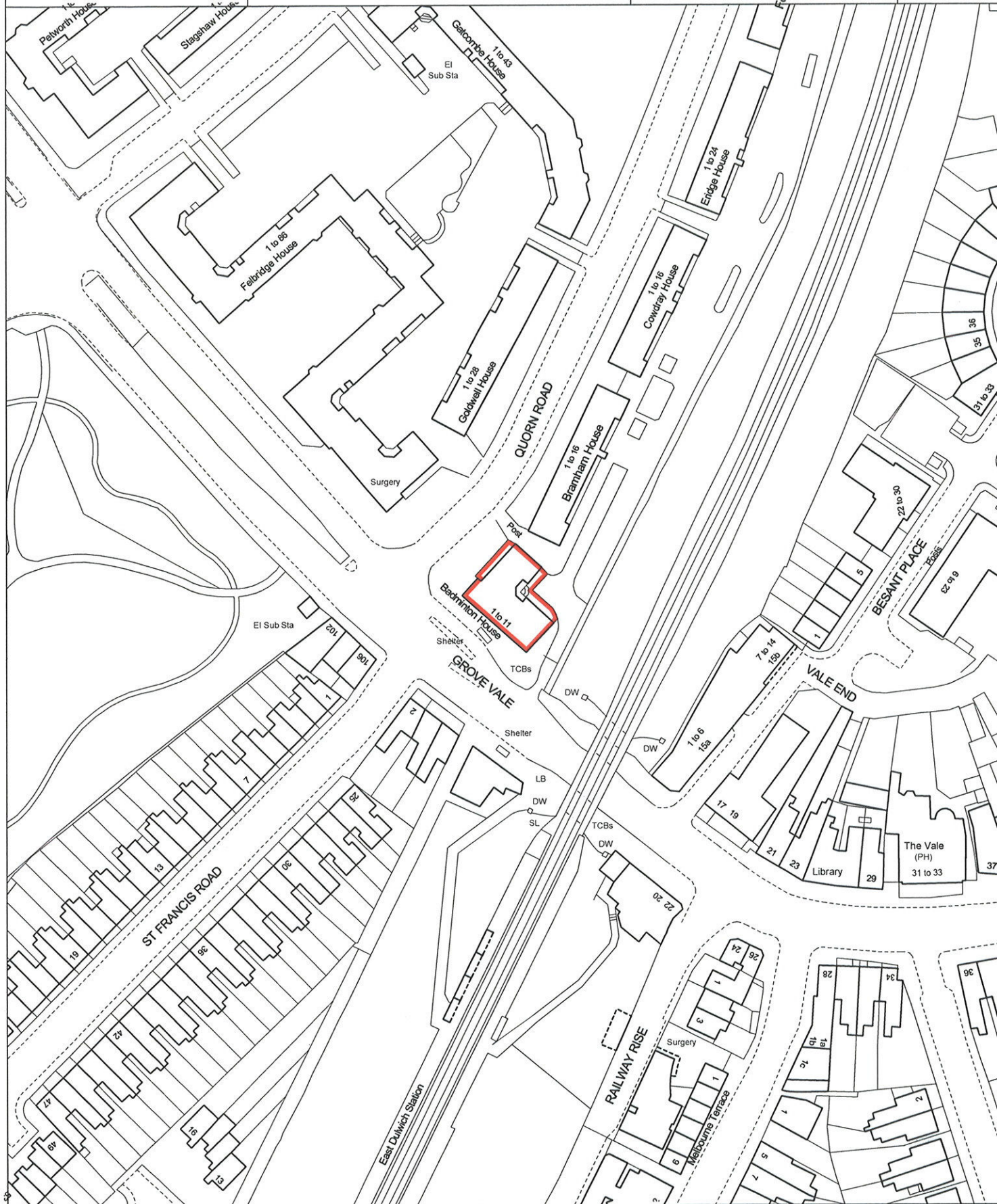
DATE.

10/8/2011

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| <b>Item No.</b><br>18.             | <b>Classification:</b><br>Open | <b>Date:</b><br>13 December 2011  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Disposal of long lease of Southwark Town Hall, 31 Peckham Road, SE5 8UB |                                 |
| <b>Ward(s) or groups affected:</b> |                                | Brunswick Park  |                                 |
| <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 recommends the transfer of the Southwark town hall building at 31 Peckham Road for use by the Camberwell College of Art, part of the University of Arts London, via a long lease arrangement with their development partner Alumno.

The decision taken by former executive in 2007 to dispose of most of the council's buildings around the town hall, including those connected to it, has resulted in the town hall no longer offering value for money in its operation. For that reason, cabinet agreed in November last year to seek the disposal of this building on a long lease basis.

The Camberwell College of Art proposal brings with it the opportunity not only to release the receipt on this asset but to also to bring with it a role that will help reinvigorate Camberwell. The increased footfall created through its use as accommodation will bring more spending power to the local economy.

The report also gives an update on the progress towards new council offices at Queen's Road, Peckham and arrangements being explored at our Tooley Street office to potentially hold council assembly meetings, and other functions that made use of the town hall chamber, there.

**RECOMMENDATIONS**

That Cabinet

1. Approves that the Town Hall, 31 Peckham Road SE5 8UB (“the Property”), together with ancillary areas as shown hatched black on the attached plan, be transferred for use by the University of Arts London (“the University”) by way of a long lease subject to planning consent to its development partner Alumno on terms set out in the closed agenda report.
2. Notes the ongoing implementation of the recommendations of the democracy commission as set out from paragraph 20 and approves that further development work is undertaken to bring forward firm proposals for any necessary works required to make 160 Tooley Street suitable for hosting occasional meetings of council assembly along with other civic events.



## BACKGROUND INFORMATION

3. The Office Accommodation Strategy agreed in 2007 by the former executive set in motion the disposal of buildings surrounding the Town Hall. South House, East House, Central House, West House and 29 Peckham Road were all marketed and sold together with the parking area in front of Central House and West House that was used by the complex of properties.
4. 29 Peckham Road was acquired by ThamesReach for conversion to an employment training centre. This achieved planning consent and is currently in the process of conversion with completion expected mid-2012.
5. South House, East House, West House and Central House were acquired by Alumno in partnership with a construction company for conversion to student accommodation to be occupied by Camberwell College, part of University of Arts London. This proposal also achieved planning permission and building work is expected to be completed in time for opening in September 2012.
6. In November 2010, cabinet adopted a revised accommodation strategy based on an agreed set of programme principles which sought to guide decision making on accommodation issues. The principles recognised that in order to continue to deliver essential services and investment in an environment of challenging revenue reductions and severe capital constraints, the costs of maintaining ageing buildings has to be reduced and the capital available for upgrading buildings will be severely limited. In addition, the principles acknowledged that a new accommodation model was needed to support service improvement in an uncertain and fast changing environment. Importantly, these principles were designed to be consistent with, and complementary to, the office accommodation strategy agreed in May 2007 by the former executive, of which the development of the facilities at 160 Tooley Street had represented the first phase.
7. In summary the principles were that the council should:
  - Maximise the use of 160 Tooley Street
  - Provide working environments that are fit for purpose
  - Ensure that council facilities are welcoming and usable for staff and visitors conforming to high standards of disabled access and customer service
  - Release strategic sites for regeneration schemes and other developments
  - Ensure that council presence is felt across all areas of the borough
  - Reduce to a minimum the total number of administrative office sites to:
    - minimise expenditure on facilities management
    - generate savings through cost effective ways of working
    - minimise future investment costs to bring ageing properties into compliance with accessibility and sustainability
    - maximise capital receipts for reinvestment in council priorities
    - minimise the financial, reputational and human resources risks of operating from old and un-refurbished property
    - maximise the council's opportunity to improve environmental sustainability
  - Ensure flexibility for future needs and service developments, including shared services

8. This approach was applied to the future use of the town hall and the functions that remained within it. While noting that a civic presence and strong civic identity are important, the report recognised that the council's three old town hall buildings, including the property on Peckham Road, had limited capacity to deliver a fit for purpose facility for Southwark residents. A particular shortcoming was public access to the democratic process which was acknowledged as poor. The council's democracy commission had advised that the functionality of the existing council chamber was a major concern. This was because of poor access and facilities for people with disabilities as well as limited opportunities for public participation in the democratic process.
9. The report noted that the most significant remaining function at Peckham Road was council assembly, held on seven evenings a year. It further noted that the council's democracy commission had recently recommended that the council adopt a new approach to holding council assembly, encouraging increased public participation through procedural changes and a programme of holding the meeting in a range of alternating community venues across the borough.
10. The November 2010 report noted that an opportunity existed to grant a long lease of the Property to a public sector partner (the University) and recommended that this was pursued as the preferred option. The expectation was that this would reduce revenue costs and save a significant capital spend which was estimated at £9m, through applying a long term approach to avoid ongoing further essential expenditure to deal with mechanical and electrical, structural and access works, and to provide a functional and accessible building. Even after this level of expenditure, the building was still not expected to meet service requirements for flexible shared accommodation. It was recommended that the Property be openly marketed should a deal with the University not be possible.
11. The preferred option at that stage was to seek to retain access to the council chamber along with access to ancillary spaces, subject to resolving the significant constraints that were identified in the report. It was felt that there was potential to retain public access to a chamber that could be refurbished for joint use.
12. This report outlines the negotiations with the University and makes a recommendation for the disposal of a long lease of the Property. It also addresses the potential future for council assembly and the implications of moving the remaining IT and communications infrastructure from Peckham Road.
13. This report does not propose any disposal of the property to the rear of Southwark Town Hall, known as Havil Hall, used by Theatre Peckham and held by them on a separate lease.
14. If the recommendations in this report are approved, the council will remain in ownership and control of the Property until at least the end of the municipal year 2011/12 and the chamber and ancillary facilities will be available for use for council assembly if required during this time.



## KEY ISSUES FOR CONSIDERATION

15. The November 2010 revised office accommodation strategy report agreed to move the remaining civic and democratic functions away from Peckham Road. 160 Tooley Street was recognised as the council's primary headquarters and adopted as the official principal office. During the past year, facilities have been provided at 160 Tooley St for the mayoral suite, additional accommodation for political groups and the relocation of the post room and members' drop. From September 2011 council and committee meetings not held in community venues have been re-located from Southwark Town Hall to 160 Tooley Street, improving accessibility and efficiency, and other community and civic activities have transferred to alternative venues. From 1 October 2011, Southwark Town Hall has been closed and only available for holding council assembly.

### Negotiations with the University

16. The University wish to expand their presence in Camberwell further and build on their acquisition of the former council administrative buildings adjacent and opposite to Southwark Town Hall. They would like to convert the Property to additional student accommodation, incorporating an element of meeting, gallery, administrative and/or studio space in the larger rooms. Additional student accommodation would be managed directly on behalf of the University and would not be a speculative development.
17. Along with the South London Gallery, the Camberwell College of Arts has been a major local presence under various guises since the late 19<sup>th</sup> century. This development will expand further the campus and support increased higher education activity in the area. The expansion has the potential to have significant benefits for the locality and in particular Camberwell and Peckham local centres, including:
- Increased economic activity
  - Reduced pressure on privately-rented housing
  - Further opportunities for community space
  - More cultural activity
18. A conversion combining student accommodation and a retained council chamber with the council taking additional sessional space for the ancillary requirements was put to the University and carefully considered. The University is happy with the principle of civic and/or community use of meeting, office, gallery or library space in any conversion of the Property. However, retention of the chamber itself is highly problematic for a number of reasons;
- The University is concerned that our use of the chamber would be compromised by the rest of the building being an active student base;
  - The Property would be severely encumbered by building work for around two years during the conversion and this would make the chamber unusable during this time
  - The University feels retention of the chamber for council assembly would be complicated and difficult to manage and potentially hinder their efficient use of the building

- The University has considered whether it could usefully occupy the chamber when not in use by the council but considers the current size and layout both unsuitable
19. For the council, retaining sole use of the chamber within a shared building as opposed to occasional casual use of a space operated by another organisation would present a number of significant risks and issues:
- Services and technical facilities are outdated and would not be improved through this approach
  - Sustainability would not be improved
  - Equally, access for people with disabilities would not be improved
  - The public and press gallery arrangements would remain unsatisfactory;
  - The capital costs of retention would be high through the reduction in the disposal price
  - Further capital costs would attach to any separation works and would further reduce the net capital receipt
  - Revenue costs would attach to any retained space
  - The council would be left with a very large space with limited opportunity for use resulting in an inefficient use of space
  - Access to ancillary facilities would need to be agreed

#### **Council assembly and the council chamber**

20. At the time of the November 2010 revised office accommodation strategy report, options for council assembly had been identified through the democracy commission but not tested.
21. As noted above, the democracy commission recommend that council assembly be held in venues throughout the borough. In January 2010, the cabinet agreed the democracy commission Implementation Plan. This plan assessed venues for capacity, layout, transport and location, access requirements, facilities and cost.
22. The existing town hall chamber was assessed through that process alongside alternative venues. It scored low against capacity (particularly against the public gallery requirement as it only has capacity for 50 members of the public) and access requirements (there is no mobility access to the public gallery). The implementation report went on to note that if access to the town hall chamber were retained in sole council use, the facility would need significant refurbishment to bring it to the required access standards and agreed ambitions of the council for better public engagement, undermining the cost effectiveness of this approach.
23. The three meetings of council assembly held from July 2011 have taken place in venues across the borough. These have proved that it is possible to conduct Assembly satisfactorily elsewhere with significantly increased public attendance and participation, subject to meeting technical challenges.
24. The council intends to continue implementing and improving on this approach.

#### **Conclusions**

25. The combined conclusions of the negotiations with the University and the revision of the viability of, and need for, the existing chamber, are that:

- Letting a long lease to the University for the whole building is likely to result in a best value outcome and an end-user that will have a positive impact in the local community

But that:

- It has not been possible (and because of the issues identified in paragraph 19 would not be desirable) to come to an arrangement whereby the council retains access to the council chamber without substantially reducing the capital receipt, building in high long-term running costs, and seriously compromising the operations of both organisations

### **Developing the facility to hold council assembly at 160 Tooley Street**

26. Recognising the importance of maintaining a central focus for civic identity and presence, officers have investigated the potential of hosting council assembly in the large public areas of 160 Tooley Street as one of the several venues across the borough. As well as the move of committee meetings to Tooley Street's conference suite, the public spaces have been successfully used to host a range of events over and above those incorporated into the initial specification of the building. With the use of flexible furniture and technology, this option could present an extremely efficient use of space and a high quality environment for public engagement.
27. A number of options have been identified and some investment would be required, particularly to ensure appropriate acoustics, lighting and environmental conditions. Operational changes would also be required to ensure security and to minimise disruption to normal business activity. Any investment would improve the usability of public areas for other community and civic events.
28. These proposals will be the subject of a further report to cabinet recommending a preferred option and identifying capital and revenue costs. The indicative study suggests that all of the Tooley Street options are substantially cheaper in revenue terms than retaining the chamber at Peckham Road.

### **Enhanced local presence and community facilities**

29. Through the revised office accommodation strategy, the council agreed to develop a significant presence in the centre of the borough and identified the need for further flexible office space. A 20 year lease has now been acquired on a previously unoccupied new-build office building at Queen's Road, Peckham. The fit-out project is now in progress and the new facility is expected to open in autumn 2012 and will include a medium sized meeting facility and a customer facility. The development will provide accommodation for approximately 350 locally based staff.
30. In addition, the Strategy incorporated funding for a new library for Camberwell incorporating customer access and a small meeting facility. This project has been extensively consulted on locally and plans are expected to be brought forward early in the new year. Other local presence in Camberwell and Peckham is retained in a range of operational and customer access sites including Cator Street.

31. As noted above, within the conversion of the town hall, the University has indicated that on initial plans they anticipate up to 100 square metres of space being available for use as gallery, office, meeting and/or library space. While the University would have first call on this accommodation it would like to encourage interaction with the community including through sessional public use of these spaces.
32. This will compliment the facility being made available in the Thames Reach conversion project at 29 Peckham Road where community access is planned within this Grade II listed building that was originally built for the Camberwell Board of Guardians and has a history of civic use.

### **Other issues**

33. It is possible to extend the developable area by incorporating the area to the rear of the town hall currently occupied by an IT infrastructure facility. The town hall has previously been configured as a network hub for IT and telecommunications, serving satellite offices around the borough. Some of these satellite offices have now been disposed of, or are in the process of disposal. Some of the technology is now outdated and an opportunity exists to modernise the system. Re-letting and re-design of the council's wide area network is currently in progress and these workstreams will mean that this facility becomes redundant.
34. It will be necessary to grant rights to use the amenity and recreation space in Sceaux Gardens for occupiers of the property. This has been dealt with by way of a user agreement for the other buildings that have been sold for University use, allowing suitable controls through the University and reflecting the shared use with residents in the Sceaux Estate. A contribution towards maintenance will be payable.
35. A number of plaques and memorials relating to the borough's civic history are installed at Southwark town hall. Two plaques listing past mayors of Southwark have already been relocated to the mayor's suite at Tooley Street and a plan is in hand to relocate the display of mayoral insignia from outside the council chamber to Tooley Street. Other memorials will be in the main relocated and displayed at Tooley Street. Items of art belonging to the Southwark Collection will be returned to the collection and will be available for display as required.

### **Policy implications**

36. The disposal of a long lease on the Property is in line with the strategy of modernising council working practices by reducing the number of 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.
37. The proposal will help to meet the council's commitment to carbon reduction through replacement of outdated energy-hungry accommodation with modern office space.
38. Feedback from the democracy commission consultation was that members of the public were concerned in particular with the current layout of the current council chamber in terms of its suitability for public access and engagement and in particular access for people with disabilities.

### **Community impact statement**

39. The community aspects of changing arrangements for council assembly have been addressed within the equalities and human rights impact assessment of the democracy commission implementation report, agreed by cabinet on 25 January 2011. This assessment is applicable for adding 160 Tooley St to the list of venues where council assembly can be hosted. Feedback from consultation through the democracy commission was that the layout and physical restrictions of the current council chamber had the potential to create a barrier to access for some groups.
40. The community impact of proposals to rationalise administrative offices has been addressed in the office accommodation strategy report to cabinet on 23 November 2010 which dealt with the principle of disposal. This report considered the impact on staff of non-fit for purpose offices and the potential barriers in place related to accessibility. It also considered the potential positive benefits available to specific groups of staff available through modern and flexible ways of working.
41. The office accommodation strategy concluded that there would be a positive impact in local areas, particularly areas of deprivation, when under used properties are able to be opened up to full use whether commercial, residential or public. The strategy also noted that many of the council's former properties such as 9 Larcom St, 15 Spa Road and 29 Peckham Road have been disposed to public and community sector organisations with a clear social benefit.
42. If the recommendations in this report are agreed, Southwark town hall will be redeveloped and fully occupied creating additional local economic activity and enhancing the areas reputation as a creative arts hub. In addition, an additional community facility will be available within the development.

### **Resource implications**

43. This proposal will generate a significant capital receipt to be allocated to council priorities. These include capital investment in the Camberwell area including development of the new library at Camberwell Green. This is in line with the expectations set out in the revised office accommodation strategy that are incorporated into the capital programme.
44. The disposal of the Property will release revenue currently put towards its maintenance and security. The 2011/12 budget attaching to the Property is £627,000. This includes some security services provided to other buildings which will be relocated. It is estimated that not less than £420,000 per year would be required to keep the town hall open as a stand-alone facility, not including the cost of any refurbishment or improvement works that were recommended previously as described in Paragraph 10. Revenue costs around £67,000 per year would be needed to maintain the chamber and ancillary facilities alone.
45. The costs of removing IT and communications equipment from Peckham Road will be funded through the decommissioning allowance within the Office Accommodation capital allocation and IT capital allocation associated with developing the new network model.

## **Consultation**

46. Consultation has taken place as part of earlier authorities, particularly related to the recommendations of the democracy commission.
47. The changes recommended by the commission on the running of council assembly reflected a broad community consultation process examining the state of democracy in Southwark and barriers and enablers to community participation. They were specifically designed to promote inclusion, community empowerment and greater accountability of elected representatives to local people.
48. Details of the consultation responses are available in the report to council assembly on 20 October 2010 entitled: *Report on Stage 1 of the democracy commission*.
49. Change of use or development of the site will require planning consent and consultation necessary for those processes will take place at the time.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

50. Section 123 of the Local Government Act 1972 states that except with the consent of the Secretary of State, a council shall not dispose of land under that section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
51. Paragraph 9 of the closed report indicates that the consideration to be paid for a long lease of the Property is the best that can reasonably be obtained and therefore the council has met its statutory obligation under Section 123 of the Local Government Act 1972.

### **Finance Director**

52. This report recommends that cabinet approves the transfer of the Town Hall, 31 Peckham Road SE5 8UB and its ancillary facilities to Alumno for use by the University of Arts London by way of a long lease. The disposal will yield a receipt for the capital programme.
53. The finance director notes the revenue costs required to maintain the building, and specifically the chamber, if the disposal were not to proceed, as detailed in paragraph 44. The finance director also notes that additional capital investment would be required if the chamber were retained, as explained in paragraph 22.

**BACKGROUND DOCUMENTS**

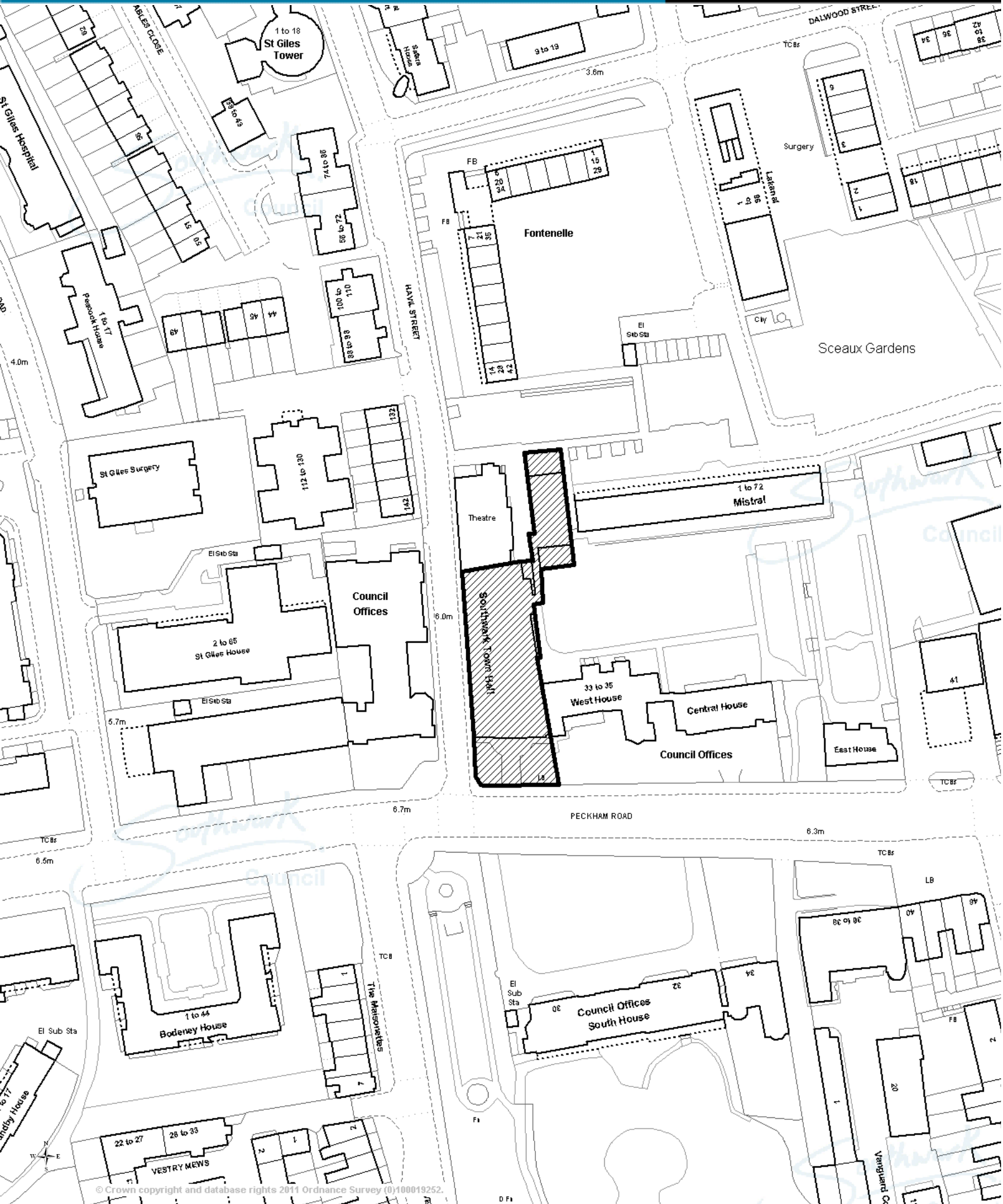
| <b>Background Papers</b>   | <b>Held At</b>  | <b>Contact</b>   |
|--|---|--|
| Report of Stage 1 of the Democracy commission, Council assembly, 20 October 2010 | <a href="http://modern.gov.southwarcksites.com/mgConvert2PDF.aspx?ID=13534">http://modern.gov.southwarcksites.com/mgConvert2PDF.aspx?ID=13534</a>   | Stephen Douglas<br>Head of Community Engagement<br>020 7525 0886       |
| Revised Office Accommodation Strategy, Cabinet report, 23 November 2010          | <a href="http://modern.gov.southwarcksites.com/ieListDocuments.aspx?CId=302&amp;MId=3334&amp;Ver=4">http://modern.gov.southwarcksites.com/ieListDocuments.aspx?CId=302&amp;MId=3334&amp;Ver=4</a> | Robin Rogers<br>Head of the Corporate Programmes Unit<br>020 7525 5719 |
| Democracy commission – Implementation Cabinet report, 25 January 2011            | <a href="http://modern.gov.southwarcksites.com/ieListDocuments.aspx?CId=302&amp;MId=3337&amp;Ver=4">http://modern.gov.southwarcksites.com/ieListDocuments.aspx?CId=302&amp;MId=3337&amp;Ver=4</a> | Tim Murtagh<br>020 7525 7187   |

**APPENDICES**

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

**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>  | Christopher Rhodes, Principal Surveyor   |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 2 December 2011  |                          |
| <b>Key Decision?</b>  | Yes  |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>   | <b>Comments included</b> |
| Strategic Director of Communities, Law & Governance                     | Yes  | Yes                      |
| Finance Director  | Yes  | Yes                      |
| Head of Corporate Programmes  | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |  | 2 December 2011          |



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| Steven Gauge, Opposition Group Office   | 1      | Robin Campbell, Press Office       | 1      |
|   |        | Constitutional Officer             | 20     |
| <b>Press</b>  |        | <b>Total:</b>                      | 73     |
| Southwark News  | 1      |                                    |        |
| South London Press  | 1      |                                    |        |
| <b>Members of Parliament</b>  |        |                                    |        |
| Harriet Harman, MP  | 1      |                                    |        |
| Tessa Jowell, MP  | 1      |                                    |        |
| Simon Hughes, MP  | 1      |                                    |        |
| <b>Corporate Management Team</b>  |        |                                    |        |
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| Romi Bowen  | 1      |                                    |        |
| Deborah Collins   | 1      |                                    |        |
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| Gerri Scott   | 1      |                                    |        |
| Susanna White   | 1      |                                    |        |
| Duncan Whitfield  | 1      |                                    |        |
| Stephen Platts  | 1      |                                    |        |
|   |        | <b>Dated:</b> 18 October 2011      |        |