

Cabinet

Tuesday 24 January 2012

4.00 pm

Ground Floor Meeting Room GO1A - 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>

Members of the committee are summoned to attend this meeting

Councillor Peter John
Leader of the Council
Date: 16 January 2012



Cabinet

Tuesday 24 January 2012

4.00 pm

Ground Floor Meeting Room GO1A - 160 Tooley Street, London SE1 2QH

Order of Business

Item No.	Title	Page No.
	PART A - OPEN BUSINESS	
	MOBILE PHONES	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
1.	APOLOGIES	
	To receive any apologies for absence.	
2.	NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
3.	DISCLOSURE OF INTERESTS AND DISPENSATIONS	
	Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.	
4.	PUBLIC QUESTION TIME (15 MINUTES)	
	To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules.	
5.	MINUTES	1 - 9
	To approve as a correct record the minutes of the open section of the meeting held on 13 December 2011.	

Item No.	Title	Page No.
6.	DEPUTATION REQUESTS	
	To consider any deputation requests.	
7.	POLICY AND RESOURCES STRATEGY 2012/13-2014/15 - REVENUE BUDGET	10 - 67
	To note the provisional Local Government Settlement for 2012/13 and consider the proposed budget for that year, following discussions with the community. If agreed, the proposed budget will be considered by council assembly in February 2012.	
8.	REPORT FROM THE OVERVIEW AND SCRUTINY COMMITTEE: POLICY AND RESOURCES 2012/13 TO 2014/15 - PROVISIONAL LOCAL GOVERNMENT SETTLEMENT	68 - 69
	To consider a report from the overview and scrutiny committee held on 9 January 2012 in respect of the policy and resources strategy 2012/13 to 2014/15, provisional local government settlement.	
9.	HOUSING REVENUE ACCOUNT - FINAL RENT SETTING AND BUDGET REPORT 2012/13	70 - 98
	To approve an average rent increase of 7.96% in accordance with the Government's required formula rent guidance to be applied to all housing revenue account dwellings.	
10.	LONDON COUNCILS GRANTS SCHEME 2012/13	99 - 106
	To approve Southwark Council's contribution to the London Councils Grants Scheme for 2012/13.	
11.	SHELTERED HOUSING SERVICE RE-MODELLING	107 - 132
	To consider options available to the council as a result of the proposed loss of supporting people funding, following reductions in council funding as part of the government's comprehensive spending review.	
12.	THAMES TUNNEL - RESPONSE TO PHASE TWO PUBLIC CONSULTATION	133 - 169
	To agree a response to the consultation by Thames Water on the proposed preferred route and sites for the Thames Tideway Tunnel.	

Item No.	Title	Page No.
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13.	CANADA WATER AREA ACTION PLAN	170 - 185
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To recommend to council assembly the adoption of the Canada Water Area Action Plan incorporating the binding recommendations of the planning inspector.

14.	SOUTHWARK OPEN SPACES STRATEGY	186 - 195
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To approve the open spaces strategy for consultation.

15.	MOTIONS REFERRED FROM COUNCIL ASSEMBLY	196 - 205
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To consider the following motions referred from council assembly held on 29 November 2011:

- Motion on themed debate – housing
- Retention of school crossing patrols in Dulwich
- Safer neighbourhood team sergeants
- Local government pension scheme

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

EXCLUSION OF PRESS AND PUBLIC

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

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

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

PART B - CLOSED BUSINESS

16.	MINUTES	
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To approve as a correct record the closed minutes of the meeting held on 13 December 2011.

DISCUSSION OF ANY OTHER CLOSED ITEMS AS NOTIFIED AT THE

Item No.

Title

Page No.

**START OF THE MEETING AND ACCEPTED BY THE CHAIR AS
URGENT**

Date: 16 January 2012



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 13 December 2011 at 4.00 pm at 160 Tooley Street, London SE1 2QH

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

1. APOLOGIES

All members were present.

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

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

Item 6 – Deputation requests

Item 10 – Policy and Resources Strategy 2012/13 – 2014/15 – Provisional Local Government Settlement

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosure of interests or dispensations.

4. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

5. MINUTES

RESOLVED:

That the minutes of the meeting held on 22 November 2011 be approved as a correct record and signed by the chair.

6. DEPUTATION REQUESTS

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent as the requests were all received in line with the constitutional deadline for the receipt of deputation requests and were therefore eligible for consideration by cabinet. Additionally, the first two deputation requests related to an item on "Hawkstone low-rise options appraisal" which was on the agenda for this meeting.

RESOLVED:

That the following deputation requests be heard.

Residents living in the high rise blocks at John Kennedy House/Brydale House in respect of the Hawkstone low rise options appraisal report

The deputation spokesperson addressed the meeting asking that cabinet agree option 2 as set out in the report, providing that John Kennedy House major works were not affected. It was explained that works to John Kennedy House had still not commenced meaning that residents were experiencing another cold winter of high fuel bills. It was suggested that the majority of residents indicated in the consultation feedback were those from the low rise properties only and not the "estate" Concern was echoed on behalf of leaseholders and the likely costs that would arise. The spokesperson asked that cabinet request a full investigation into the whole option appraisal for future lessons and learning.

Hawkstone low rise residents steering group in respect of the Hawkstone low rise options appraisal report

The spokesperson addressed the meeting welcoming option 2 as set out in the report. Residents in the low rise have been anxious for works to start for some time and hope that the monitoring of performance, materials and costings were all in place to ensure works progress satisfactorily. The spokesperson emphasised that the Hawkstone was not just an "estate" but an area with strong community spirit. The issue of fuel costs for residents was identified requesting reimbursement of the excessive costs that have been endured.

The home owners council in respect of the housing management plan

The spokesperson addressed the meeting to identify a number of ongoing issues for the home owners council that require assistance from cabinet to progress as follows:

- Leaseholders service charge audit. It was suggested that this process requires a lot of time and asked that this be examined and monitored for future.
- Management fees charged for major projects. Raised previously and identified

as a costly measure for leaseholders, suggesting that there is no consultation as part of this process.

- Annual service charge. Concern was echoed in respect of the manner that these charges were handled. For example an estimate was sent to a home owner followed by a 19 month gap before the final bill arrived; with no feedback or communication in this intervening period.

The deputation were keen to emphasise that underlying all these issues was the need to improve communication and consultation with leaseholders.

The cabinet expressed their thanks to the deputations and for their hard work and commitment.

7. HAWKSTONE LOW-RISE OPTIONS APPRAISAL

An additional appendix was tabled setting out the details and feedback from recent consultation meetings and comments of the strategic director of communities, law & governance (see supplemental agenda no.3).

RESOLVED:

1. That the findings of the Hawkstone low-rise options appraisal be noted.
2. That the adoption of the preferred option of enhanced refurbishment of the Hawkstone low-rise blocks be approved and that these works are programmed into the housing investment programme for the 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.

8. FIRE SAFETY WORKS AT CANADA ESTATE - REPORT OF THE HOUSING AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE

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

RESOLVED:

That the recommendations of the review of fire safety works at Canada estate undertaken by the housing and community safety scrutiny sub-committee be noted and that the deputy leader and cabinet member for housing management bring back a report to cabinet in order to respond to the overview and scrutiny committee by 13 February 2012.

9. ESTABLISHMENT OF A HOUSING COMMISSION FOR SOUTHWARK

RESOLVED:

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. That it be noted that the commission will formally commence work in January 2012 and report back to cabinet in October 2012.

10. POLICY AND RESOURCES STRATEGY 2012/13 - 2014/15 - PROVISIONAL LOCAL GOVERNMENT SETTLEMENT

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent because of the significant impact of the provisional settlement 2012/13 on the council's budget and resource planning process.

RESOLVED:

1. That the provisional local government settlement for 2012/13 which was published on 8 December 2011 be noted.
2. That the confirmation of the payment of New Homes Bonus to the council in 2012/13 in so far as £1.5m is allocated to support general fund services be noted.
3. That it be noted that the issues in the report and subsequent analysis will form the basis of a formal response to the consultation on the provisional local government settlement which must be submitted to government by 16 January 2012.
4. That the amendment to the medium term resources strategy to reflect the change in housing revenue account resources set out in paragraph 176 of the report be agreed.
5. That the establishment in principle of a £1m community restoration fund be agreed for 2012/13 to support those areas most affected by the August disturbances (paragraphs 109 - 114 of the report).
6. That it be noted that because government funding beyond 2012/13 is not known, and is unlikely to be announced until November 2012, the finance director proposes that a single year budget for 2012/13 only will be set. The report sets out changes that are likely to impact on 2013/14 and beyond, but at this stage cannot be quantified. Officers will report back at the earliest opportunity once any announcements are made.
7. That the announcement by the government of a further council tax freeze grant for 2012/13 be noted, as outlined in paragraphs 32 to 34 of the report.
8. That the medium and long term impact of accepting the council tax freeze grant on

the council tax base be noted, especially in the context of the grant being removed from 2013/14, as described in paragraphs 33 and 34 of the report.

9. That the budget principles agreed by cabinet on 21 September 2010 be confirmed, supported by the ten fairer future promises agreed by council assembly on 6 July 2011, which will continue to guide and underpin the work of officers in arriving at a balanced budget in February 2012.
10. That officer recommendations on the 2012/13 budget and comments invited on the proposals from stakeholders and scrutiny be noted.
11. That taking all the issues in the report, the finance director be instructed to report back to the cabinet at its meeting on 24 January 2012, and after the overview and scrutiny meeting on 9 January 2012 on the budget for 2012/13.

11. HOUSING REVENUE ACCOUNT - INDICATIVE RENT - SETTING AND BUDGET REPORT 2012/13

RESOLVED:

1. That it be noted 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 of the report. This is equivalent to an increase of £6.78 per week on average, to be applied to all housing revenue account (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. That it be noted 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 of the report.
3. That it be noted on a provisional basis no increase to tenant service charges as set out in paragraph 24 of the report.
4. That it be noted 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 of the report with effect from 2 April 2012.
5. That it be noted on a provisional basis no increase to heating and hot water charges as set out in paragraphs 28 – 30 of the report with effect from 2 April 2012.
6. That officers provide a final report on rent-setting and the housing revenue account (HRA) budget for 2012/13 after due consultation processes have been followed for consideration at their meeting on 24 January 2012.

12. SOUTHWARK COUNCIL'S APPROACH TO EQUALITY - DELIVERING A FAIRER FUTURE FOR ALL

RESOLVED:

1. That the requirements of the Equality Act 2010 and the Public Sector Equality Duty 2011 as set out in paragraphs 7 - 9 of the report be noted.
2. That Southwark Council's Approach to Equality be agreed (see Appendix A of the report).

At 5.35pm Councillor Peter John left the meeting. Councillor Ian Wingfield as deputy leader chaired cabinet for the remaining business.

13. CHANGES TO DELIVERY ARRANGEMENTS FOR THE YOUTH SERVICE

The legal comments from the strategic director of communities, law & governance were circulated in supplemental agenda no. 1.

RESOLVED:

That the development of new delivery arrangements for the youth service in accordance with the design principles as set out in Appendix 1 of the report 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 be agreed. This new model will also achieve a saving of £1.5m as agreed by council assembly

14. VIOLENT CRIME STRATEGY UPDATE

RESOLVED:

1. That the progress made in delivering the recommendations set out in the violent crime strategy 2010-15 be noted.
2. That 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 be noted. 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 information on the summer riots in the report be noted and that a future report on the community conversations on the riots comes to a later meeting of the cabinet.

15. HATE CRIME STRATEGY

RESOLVED:

1. That the hate crime strategy for Southwark 2011-2015, as set out in Appendix 1 to the report, be approved.
2. That the five overarching strategic aims as outlined within the strategy and the supporting delivery plan be approved. 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 it be noted "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.

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

RESOLVED:

1. That the disposal of the Rotherhithe Library and Civic Centre ("the property"), shown edged in bold at Appendix 1 of the report be agreed to Canada Quays Limited on the principal terms set out in the report on the closed agenda for this meeting.
2. That the head of property be authorised 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 be 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.

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

RESOLVED:

1. That the disposal of the council's freehold interest in Badminton House, Quorn Road, SE22 ("the property") on terms outlined in the closed version of the report be approved, subject to council assembly's approval of an application to the Secretary of State for the Department for Communities and Local Government for consent to

the disposal of the property.

2. That council assembly be recommended to approve an application to the Department for Communities and Local Government for consent to the disposal of the property.
3. That the capital receipt be authorised to replenish the housing investment programme from which the East Dulwich Estate refurbishment programme was forward funded.
4. That the head of property be authorised 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.

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

RESOLVED:

1. That the Town Hall, 31 Peckham Road SE5 8UB (“the property”), together with ancillary areas as shown hatched black on the attached plan to the report, 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 the terms set out in the closed report.
2. That the ongoing implementation of the recommendations of the Democracy Commission as set out from paragraph 20 of the report be noted and that further development work be undertaken to bring forward firm proposals for any necessary works required to make 160 Tooley Street suitable for potentially hosting occasional meetings of council assembly along with other civic events.

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.

19. MINUTES

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

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

The cabinet considered the closed information relating to this report. See item 16 for decision.

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

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

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

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

The meeting ended at 5.55pm.

CHAIR:

DATED:

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

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

Item No. 7.	Classification: Open	Date: 24 January 2012	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy 2012/13 to 2014/15 – Revenue Budget	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Finance Resources and Community Safety	

FOREWORD - COUNCILLOR RICHARD LIVINGSTONE, FINANCE, RESOURCES AND COMMUNITY SAFETY

This report notes the provisional Local Government Settlement for 2012/13 and sets out our proposed budget for that year, following discussions with the community. If agreed, this proposed budget will be considered by Council Assembly in February 2012.

2012/13 is the second year of deep cuts in our funding from government. We do not yet have a clear indication of what further cuts are coming in 2013/14 and beyond, but we have planned this draft budget to enable us to address those once government indicates what those might be. It is therefore a budget that has to make some tough decisions that will impact on every area of the council's expenditure.

We are also faced with inflation running well ahead of government targets and increasing cost pressures that are outside of our control, such as for the London concessionary fares scheme.

But we also recognise that this economic bad news - less money and higher inflation - affects not only the council but residents as well. It is therefore important that we recognise this in our budget: this is a strong budget for hard times.

Last February, Council Assembly agreed a three-year budget that not only confirmed the budget for 2011/12 but also established indicative budgets for 2012/13 and 2013/14. Given the continuing uncertainties regarding the 2013/14 budget, our proposal is that the budget considered by Council Assembly in February 2012 is for 2012/13 only, in effect updating the indicative budget agreed in February 2011.

Amongst the changes to that February 2011 version of the 2012/13 budget that are being proposed are:

- A further year's freeze in Council Tax
- The introduction of clear plans to ensure that the London Living Wage benefits not only our directly employed staff but also those who work for us through employment agencies or through contractors.
- The establishment of a new Cleaner Greener Safer Revenue Fund for Community Councils to determine, devolving more decisions to a more local level.

- The establishment of a Community Restoration Fund to respond to the challenge of the August disorder events.
- The use of £.4.4m from the Council's reserves to help with the pressures on the budget.

In addition, we will develop further the initiatives agreed in the current year:

- This budget enables the further rollout of the Free Healthy School Meals programme for our primary schools to include years 2, 3 and 4 from September 2012, in addition to the coverage of Reception and Year 1 classes now in place.
- There is a proposed further reduction in Meals on Wheels prices.
- It continues the successful Voluntary Sector Transition Fund scheme that we established in 2011.

Despite the difficult financial climate which has resulted from current government policy, these are budget proposals that demonstrate clearly that we are continuing to strive for a Fairer Future for All in Southwark.

RECOMMENDATIONS

That cabinet:

1. Note that the budget principles agreed by cabinet on 21 September 2010, supported by the ten fairer future promises agreed by council assembly on 6 July 2011, have guided and underpinned the process for budget setting.
2. Note that at the time of writing there has not yet been an announcement of the final local government grant settlement for 2012/13 from the Department of Communities and Local Government (DCLG).
3. Note that, should there be any changes between the provisional and final local government settlements, these will be reported to council assembly, as part of the budget setting report.
4. Note that budget consultation on the three year budget 2011/12-2013/14 took place with residents and community groups from September 2010 to February 2011 and that the feedback from that consultation was given due consideration by cabinet for proposals for 2011/12 and indicative proposals for 2012/13.
5. Note that subject to agreement by Council Assembly to the budget recommendations there will be a need to complete and invoke both statutory consultation procedures where necessary and the Council's own policies and procedures as appropriate in order to implement the savings and income generation proposals detailed in appendices C to E.
6. Note that the Greater London Assembly will set its precept on 9 February 2012, as described in paragraphs 199 to 201.
7. Note that because government funding beyond 2012/13 is not known, and is unlikely to be announced until November 2012, the Finance Director proposes that a single year budget for 2012/13 only will be set. This report sets out changes that are likely to impact on 2013/14 and beyond, but at this stage

cannot be quantified. Officers will report back at the earliest opportunity once any announcements are made.

8. Note that recommendations from the Overview and Scrutiny committee of 9 January 2012 are included as appendix F to this paper and appear elsewhere on this meeting's agenda.
9. Note the establishment of a £1m Community Restoration fund for 2012/13 only to support especially businesses and younger people in those areas most affected by the August 2011 disturbances and note that details of the scheme will be presented to Council Assembly in February.
10. Note the need to use balances of £4.4m in order to support service delivery and deliver a balanced budget in 2012/13.
11. Note the confirmation of the payment of New Homes Bonus to the Council in 2012/13, and that £1.5m is allocated to support General Fund services within the revenue budget proposals.
12. Note the need to absorb the impact of inflation within the cash limited budgets proposed within this report (with the exception of that which is contractually committed) as described in paragraphs 53 to 57.
13. Note that new commitments and growth of £10.988m is allocated in 2012/13 to support local needs and priorities
14. Note that the budget proposals include accepting the government's further council tax freeze grant for 2012/13.
15. Note the medium and long term impact of accepting the council tax freeze grant on the Council Tax Base, especially in the context of the grant being removed from 2013/14.
16. Note the Finance Director recommends the retention of contingency and maintenance of balances to mitigate the funding risks and risks inherent in achieving the high savings targets outlined in this paper.
17. Agree the proposals in this report for a balanced budget based on a nil council tax increase for 2012/13 for recommendation to Council Assembly in February 2012. Budget schedules are set out in Appendices A to E.

BACKGROUND INFORMATION

18. In June 2010 the cabinet set out its vision, 'Fairer Future for all in Southwark'. This set out the broad local priorities of the current administration.
19. On 21 September 2010 the Cabinet agreed seven budget principles to guide and underpin the work of officers in preparing a balanced budget for February 2011.
20. In January 2011 the council received its final grant settlement for 2011/12 of £232.8m, a reduction in cash terms of £29.7m (11.3%) against the rebased 2010/11 formula grant. This settlement represented the first year of a two year settlement from the 2010 spending review.

21. In February 2011 Council Assembly agreed a balanced budget of £323.0m for 2011/12. This was based on a zero percent increase in Council Tax, and included £2.2m Council Tax Freeze Grant, the equivalent of a 2.5% increase in council tax. The agreed budget included £7.5m of financial commitments largely to meet increasing demand and other pressures and £6.1m growth in additional or new services. The budget included budget reductions, savings and efficiencies of some £33.8m (10.5% of 2010/11 revenue budget), This included a range of options including the rationalisation of management structures and back office structures and options for savings in contract spend.
22. Moving forward from 'Fairer Future for all in Southwark', on 6 July 2011, Council Assembly agreed the Council Plan. Included in the plan are ten fairer future promises which reinforce the seven budget principles.
23. On 18 October cabinet received a scene setting report on the forthcoming budget setting round. Noting that this was the second year of a three year budget framework cabinet instructed officers to continue to work on budget options for presentation to cabinet in January 2012. Cabinet also noted the continued uncertainty in the budget environment for 2013/14 and future years.
24. On 13 December 2011 the cabinet considered the Policy and Resources Strategy 2012/13 to 2014/15 – Provisional Local Government Settlement, which included draft proposals and officer recommendations on the budget for 2012/13. That report contained background information and reviewed the effect of detailed information issued by government on 8 December 2011 regarding the provisional local government settlement and its effect on Southwark's general fund budget.
25. The purpose of this report is to set out the headline content of the budget for 2012/13, which represents the second year of a three year budget programme as per the report to Council Assembly on 22 February 2011, and to seek formal approval of the recommendations in respect of the budget as in paragraphs 1 to 15 above.
26. At the time of writing, the Secretary of State for Communities and Local Government had not yet announced the 2012/13 final local government settlement. The consultation for this closes on 16 January 2012, and an announcement is anticipated in late January. This report has been prepared on the basis that there is no change from the provisional 2012/13 settlement figures announced on 8 December 2011. Should the position change, this will be included in the report to Council Assembly. The cabinet made representations on behalf of council residents and communities to the Secretary of State in January 2012.

KEY ISSUES FOR CONSIDERATION

Formula grant – national position – based on the provisional settlement

27. In 2012/13 the total level of formula grant funding to local government nationally will be £27.2billion, a reduction of 7.3% against the 2011/12 position. To ensure a like for like comparison between 2011/12 and 2012/13 the position for 2011/12 has been revised. This revision involves a further claw back of resources from education authorities to fund academies. For 2012/13 the 2011/12 element of council tax freeze grant has been included in the total formula grant, nationally at £652m, for Southwark £2.2m; the reductions at national level exclude this addition.

28. For 2011/12 the government announced a number of significant changes to the formula grant at a national level.
29. The way in which the minimum funding guarantee, or floor, is calculated and applied has 'bands' within each class of authority, based on the level of dependency a council has on its formula grant. For single tier authorities, like Southwark, the bands, and the percentage reduction in formula grant in 2012/13 (excluding the addition of council tax freeze grant) are:

	Maximum reduction in formula grant compared to 2011/12
Band 1	- 7.4%
Band 2	- 8.4%
Band 3	- 9.4%
Band 4	- 10.4%

30. Southwark is a Band 1 authority in that it is one of those councils most dependent on formula grant, with 72% of the council's net budget funded through formula grant. Nationally, there are 38 single-tier councils in this band, 17 of which are in London. The floors are self-financing. This means that those councils within a particular band that are above the floor will have the resources from their formula grant scaled back. The resources made available are then used to bring the councils which are below the floor up to their 'band' levels.

Revenue spending power and transition grant

31. Revenue spending power for a council is made up of formula grant plus council tax income along with other government grants and NHS support for health and social care.
32. As part of the 2011/12 local government grant settlement, the government introduced a transition grant to manage the impact of spending reductions. Whether a council receives the transition grant or not is dependent on the extent to which their overall 'revenue spending power' has decreased as a result of the provisional grant settlement.
33. Southwark received no transition grant in 2011/12, and will not receive any transition grant in 2012/13. This is because the level of reduction in Southwark's 'revenue spending power' in 2012/13 is 4.5%. In cash terms this equates to a reduction in revenue spending power of £16.2m in 2012/13 when compared to 2011/12. Southwark's level of reduced revenue spending power is lower than the threshold of reduction set nationally by the government which would qualify the council for transition grant.

Council tax

34. The indicative budget process for 2011/12 -2013/14 as reported to Council Assembly in February 2011 included an estimated £93.5m of council tax income for 2012/13. This assumed an increase in Council Tax of 2.5% .
35. The updated amount of council tax revenue for inclusion in the 2012/13 budget is £91.1m. This estimate is based on a tax base of 103,929 chargeable dwellings, an assumed collection rate of 96.25% and a zero increase in the current band D of £912.14. The variation of £2.4m is for the following reasons:

- £2.3m – value of a 2.5% council tax increase, currently being matched by council tax freeze grant.
- £0.2m - lower than predicted (0.1%) increase in the tax base.
- £0.1m estimated accumulated collection fund deficit as at 31 March 2012
- (£0.2m) – the effect of an assumed increase in collection rate of 0.25%

36. Tables 1 and 2 below show how the tax base has changed since 2008/09. The shortfall in the 2012/13 forecast tax base of £200k appears to be due to an increase in discounts, that had previously been reducing; this is in large part due to the number of dwellings attracting discounts either for single persons, students or second homes.

Table 1: Breakdown of council tax income 2008/09 to 2012/13

	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m
Total Dwellings	103.2	105.5	106.6	108.5	109.6
Exemptions	(4.1)	(4.4)	(4.1)	(3.7)	(3.7)
Discounts	(11.3)	(11.1)	(10.9)	(10.8)	(11.1)
Council Tax yield @ 100%	87.8	90.0	91.6	94.0	94.8
Band D council tax	£912.14	£912.14	£912.14	£912.14	£912.14
Budgeted collection rate	96.0%	96.0%	96.0%	96.0%	96.25%
Budgeted non collection	(3.5)	(3.6)	(3.7)	(3.9)	(3.6)
Net Council Tax yield	84.3	86.4	87.9	90.2	91.2
Net Tax base	92,473	94,672	96,419	98,994	100,031

Table 2: Movement in tax base 2008/09 to 2012/13

Movement between years	2008/09 to 2009/10	2009/10 to 2010/11	2010/11 to 2011/12	2011/12 to 2012/13
Total Dwellings	2.2%	1.0%	1.8%	1.0%
Exemptions	7.3%	-6.8%	-9.8%	0.0%
Discounts	-1.8%	-1.8%	-0.9%	2.8%
Council Tax yield @ 100%	2.4%	1.8%	2.6%	0.9%
Net tax base change	2,199	1,747	2,575	1,037

37. The figures for 2012/13 are taken from the 2012/13 Council Tax Base report that will be presented to Council Assembly on 25 January 2012. Any changes will be reported as part of the budget report to Council Assembly in February.

Council tax freeze grant

38. As part of the 2011/12 local government grant settlement, the government announced the council tax freeze grant. This was awarded to all authorities which set a zero increase in council tax, for the equivalent of a 2.5% increase in council tax. Southwark received £2.2m. It is understood that this grant will be paid throughout the four years of the spending review, and has now been subsumed into formula grant. This grant will cease in 2015/16.

39. On 22 February 2011, Council Assembly agreed indicative council tax increases of 2.5% for 2012/13 and 2013/14. In October 2011 the government announced a new council tax freeze grant for 2012/13 only, for those authorities who agree to set a zero percent council tax increase. The grant will be equivalent to a further 2.5% increase in council tax. This grant would be for one year only, and will cease in 2013/14. It is estimated that if this approach is approved, Southwark would receive some £2.3m. The freeze grant for 2012/13 will match the 2012/13 proposed council tax increase identified in February 2011 report.
40. However, the 2012/13 freeze grant is for one year only and therefore will not be included in the 2013/14 grant settlement. This means that, based on the indicative three year budget set out in February 2011,, a 5% increase in council tax would need to be assumed for 2013/14 to reach the indicative band D level.
41. The creation of a one year only grant, although welcome, does not in itself deliver medium term certainty in financial planning for the council. Moreover it adds to the uncertainty attached to financial plans for 2013/14 and beyond. The council will continue to lobby to secure greater certainty in future financial settlements so that it can financially plan for the future with more confidence. The Secretary of State has stated that if council tax increases are proposed to be above 3.5% in any one year then the council would be required to call a referendum of local residents to approve this increase. The Finance Director recommends the retention of contingency and maintenance of balances to mitigate these funding risks in addition to risks inherent in achieving such high savings targets.

Final grant settlement 2012/13

42. At the time of writing, the Secretary of State for Communities and Local Government had not yet announced the 2012/13 final local government settlement. The consultation for this closes on 16 January 2012, and an announcement is anticipated in late January. This report has been prepared on the assumption that there is no change from the provisional 2012/13 settlement figures announced on 8 December 2011.
43. Overall, Southwark will experience a total reduction in formula grant in cash terms of £17.2m (excluding the addition of £2.3m council tax freeze grant) for 2012/13. The total reduction in grant in cash terms over the first two years of the Spending Review 2010 is therefore £46.9m. This is the highest cash reduction of all London boroughs.
44. Southwark remains a 'floor' authority. This means the council receives more than that determined by the formula due to the application of a "minimum funding guarantee" that ensures no council receives less than a nationally determined minimum. Without the floor Southwark would experience an additional loss in cash terms of £19.3m grant in 2012/13.
45. As a result of the settlement, Southwark, like others in London, is even more dependent on the floor and how it is applied.
46. The table below shows how the formula grant has changed between 2010/11 and 2012/13 and how Southwark compares to the London and national position:

Table 3: Formula grant changes from 2011/12 to 2012/13 for Southwark

	Final 2011/12 formula grant	Revised 2011/12 formula grant (re-baselined)	Final 2012/13 formula grant (excl council tax freeze grant)	% change between revised 2011/12 and final 2012/13 formula grant	
	£m	£m	£m	£m	%
England	29,419.3	29,284.8	27,138.1	-2,146.7	-7.3%
London	4,221.8	4,200.3	3,879.4	-320.9	-7.6%
Southwark	232.8	232.0	214.8	-17.2	-7.4%

Core grants

47. The 2011/12 local government settlement heralded a major change in grant funding. From a position of some £103.5m in specific grants in 2010/11, this fell to £38.5m in 2011/12. Some grants transferred into formula grant and DSG, some formed the new core grants and others ceased to exist. Based on current published information the council will receive some £39.7m in core grants in 2012/13, which is an increase of £1.2m (3.1%) on 2011/12 grant levels. 2011/12 and 2012/13 core grants are shown below. Core grants will also be confirmed as part of the final local government settlement.

Table 4: 2011/12 and final 2012/13 core grants

	Latest 2011/12	Final 2012/13	Change between 2011/12 and 2012/13	
	£m	£m	£m	%
Early Intervention Grant	19.6	20.5	0.9	4.2
Learning Disabilities and Health Reform Grant	12.5	12.8	0.3	2.4
Local Services Support Grant (LSSG)	2.2	2.2	0.0	0.0
Housing and Council Tax Benefit Subsidy Administration grant	4.2	4.2	0.0	0.0
Total	38.5	39.7	1.2	3.1

New Homes Bonus

48. The New Homes Bonus (NHB) is intended to reward local authorities and communities where growth in housing stock takes place. The proposed formula for allocation is to match the level of council tax paid on each new home for 6 years with an additional £350 for each affordable unit. As an 'unringfenced' grant, there is no restriction on its use.

49. There is currently £1.5m allocated to revenue within the 2011/12 revenue budget base. The total new homes bonus received for 2011/12 was £2.5m, and the remaining £1m has been earmarked to fund capital expenditure.
50. On 21 June 2011, the cabinet agreed that all estimated surplus NHB resources over and above that committed to the revenue budget should be earmarked to the corporate resource pool to support the ten-year capital programme. Table 5 below shows the estimated level of expected NHB in future years.

Table 5: Actual and estimated New Homes Bonus 2011/12 to 2016/17

	2011/12 Actual £m	2012/13 final £m	2013/14 est. £m	2014/15 est. £m	2015/16 est. £m	2016/17 est. £m	Total £m
Estimated total grant	2.6	5.2	7.8	10.3	12.9	15.5	54.3
Revenue commitment	1.5	1.5	1.5	1.5	1.5	1.5	9.0
Balance for capital	1.1	3.7	6.3	8.8	11.4	14.0	45.3

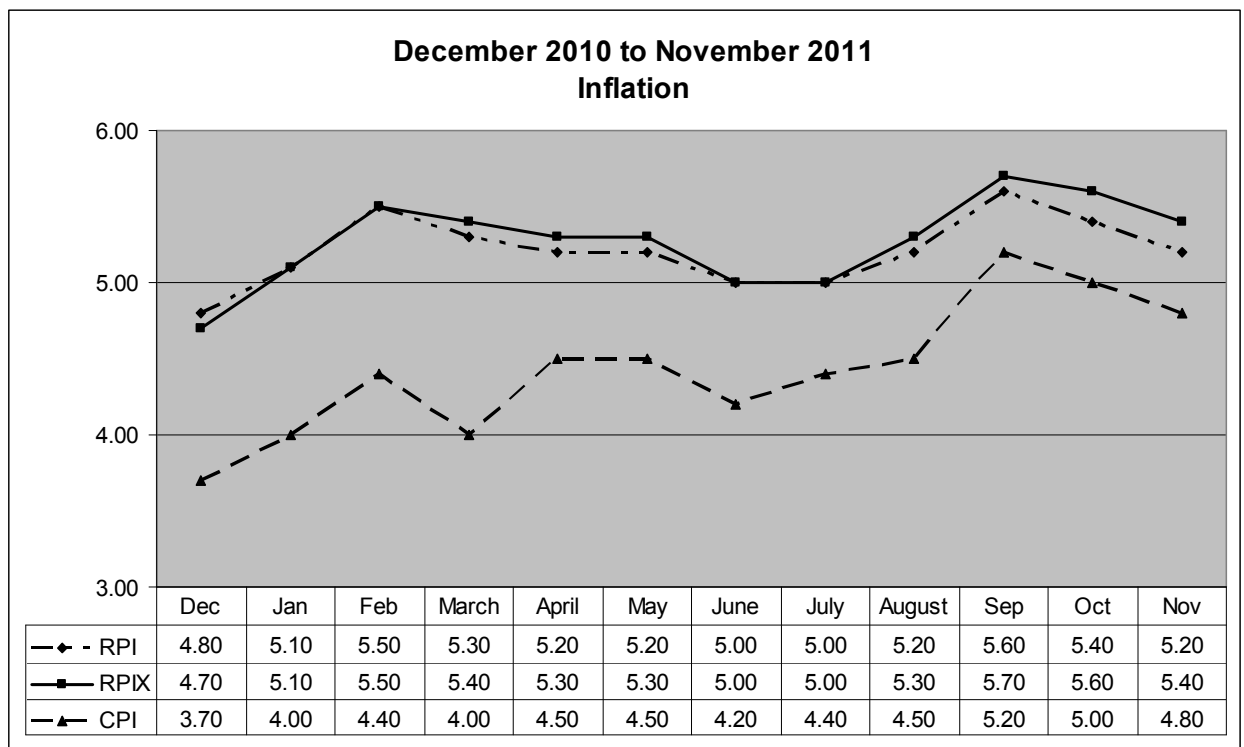
NHS Grant

51. In 2011/12 Southwark received £4.3m from a £1 billion national provision from the Department of Health via Primary Care Trust allocations, as set out in the NHS Operating Framework published in December 2010. This allocation is to support social care and benefit health, and was confirmed for two years at £4.3m in 2011/12 and £4.1m in 2012/13. It was originally understood that this grant would cease in 2013/14, it is now clearer that the contribution is likely to continue, although allocations are still yet to be announced.
52. In 2011/12, the grant was used to support the overall revenue budget. For 2012/13 an allocation of £4.1m has been included in Health and Community Services base budget, so the department is able to allocate this funding directly.

Inflation

53. **Pay award.** Pay has been frozen for 2012/13, which is the second year of the two year public sector pay freeze announced by the government in the emergency budget on 22 June 2010. The November 2011 Autumn Statement set public sector pay increases at an average of one per cent for the two years after the current pay freeze comes to an end (i.e. for 2013/14 and 2014/15). The chancellor has asked the independent pay review bodies to report by July 2012 on whether pay can be "more responsive to local labour markets", potentially heralding more regionally-based public sector pay rates.
54. **General Inflation.** When setting the 2011/12 budget no provision was made for general running costs inflation. On 13 December 2011, ONS announced the inflation statistics for November. The reported indicators show CPI at 4.8% (down by 0.2% from 5.0% in October), RPI 5.2% (down by 0.2% from 5.4% in October), and RPIX 5.4% (down by 0.2% from 5.6% in October).

55. The chart below shows the movement in inflation from December 2010 to November 2011. Figures for December 2011 are anticipated on 17 January 2012.



56. Running costs budgets amount to some £172m for 2011/12. With CPI currently at 4.8% and RPI at 5.2% after taking account of alternative inflation of £3.6m, explained in paragraph 57 below, the council is absorbing inflationary pressures in the order of £4.7m to £5.4m.
57. **Alternative Inflation.** The council also calculates “alternative inflation” which covers things like long term contracts tied to industry specific rates of inflation (e.g. utilities, business rates, waste etc.). Alternative inflation does not have a single rate and current estimates show alternative inflation at £3.6m for 2012/13.

2011/12 revenue monitoring position

58. The council is experiencing a number of new and emerging service pressures. Major pressures identified include families with “no recourse to public funds” and unaccompanied asylum seeking children. Other pressures exist within public realm as a result of a reduced income from parking control notices as a result of improved compliance. The detailed revenue monitoring as at quarter 2 was set out in a report to cabinet on 22 November 2011. It is important to consider these pressures as part of the budget setting process moving forward.

Overview and scrutiny committee recommendations

59. On 9 January 2012 the Overview and Scrutiny committee of the council met to consider the draft revenue budget report as set out in the report to cabinet on 13 December 2011. The committee held discussions with each cabinet member on the draft budget proposals. The committee made a number of recommendations for the cabinet to consider as part of budget setting and implementation. These

are shown in Appendix F. As far as possible at this stage the information requested has been included in this report.

60. A report elsewhere on the cabinet agenda asks cabinet to consider and agree the recommendations from overview and scrutiny, which also be presented to Council Assembly as part of the budget papers.

This report

61. This report now sets out proposals for a balanced budget in 2012/13 for consideration by the cabinet.
62. Subject to agreement of this report, a further report will be presented to Council Assembly in February on the final budget for 2012/13. This will incorporate any changes announced by the government as part of the final settlement.
63. When setting the revenue budget local authorities are required, under section 43(4) of the Local Government Finance Act 1992, to calculate their "revenue budget requirement" for the forthcoming financial year. The revenue budget requirement is a statutory definition of expenditure to be met from formula grant and council tax income. The proposals are for a revenue budget requirement of £308.3m in 2012/13.
64. The table below shows the 2011/12 budget agreed by Council Assembly on 22 February 2011, the indicative 2012/13 budget approved at the same time, and the 2012/13 budget proposals. The table shows the movement in 2012/13 from the indicative budget included in the 2011/12 to 2013/14 budget setting report.
65. There is now a requirement for an additional £1.6m from reserves to balance the budget, giving a total of £4.4m.
66. This variance is because savings and income are £1.1m higher than indicated in 2011/12, growth commitments have increased by £2.6m, and council tax income is £0.2m less due to a lower than anticipated tax base. This is matched by an increase of £0.2m from an increase in collection rate from 96% to 96.25% and an estimated collection fund deficit of £0.1m for the year ending 31 March 2012.

Table 6: 2011/12 Budget, and indicative and proposed budgets for 2012/13

	2011/12 Budget	Indicative 2012/13 Budget reported to 22/02/11 Council Assembly	2012/13 Budget proposals
	£m	£m	£m
Formula Grant (note 1)	(232.8)	(214.8)	(217.1)
Council Tax Income	(90.2)	(93.5)	(91.1)
Total Income Resources	(323.0)	(308.3)	(308.2)
Revised Previous year's budget	349.6	326.4	326.4
Inflation			
- Pay award pay frozen for 2011/12 and 2012/13	0	0	0
- General inflation (running costs): 0% allowed for 2011/12 and 2012/13	0	0	0
- Alternative inflation based on contractual commitments (linked to industry specific rates)	3.5	3.6	3.6
Commitments	7.5	4.9	10.3
Growth	6.1	3.4	0.7
Efficiencies and improved use of resources	(22.3)	(13.7)	(17.2)
Income generation	(0.5)	(0.3)	(1.0)
Savings impacting on service delivery	(11.0)	(13.4)	(10.3)
Council Tax freeze grant 2011/12 (note 1)	(2.2)		2.2
Council Tax freeze grant 2012/13 (note 1)			(2.3)
Funding to support social care and benefit health	(4.3)	0.2	0.2
Total Service Area Budgets	326.4	311.1	312.6
Contribution (from) and to balances	(3.4)	(2.8)	(4.4)
Total budget (note 2)	323.0	308.3	308.2

Note 1: Government proposals on Council Tax freeze grant for 2012/13 were announced on 3 October 2011 and therefore were not known at the time of the report to Council Assembly in February 2011. For 2012/13 the 2011/12 element has now been included in formula grant figures.

Note 2: although the projected council tax increase has been matched by government grant, this change is due to the projected collection fund deficit.

Service area budgets

67. Budget proposals are in line with local policy priorities as set out in the fairer future for all vision and Council Plan. Table 7 below summarises the budgets for council service areas for 2011/12 to 2013/14. These are known as "control totals".

Table 7: Service area budgets for 2011/12 and 2012/13

Service area	2011/12 Budget	2012/13 Indicative Budget reported to 22/02/11 Council Assembly	2012/13 Budget proposals
	£m	£m	£m
Children's Services	90.1	86.3	86.4
Communities, Law & Governance	11.5	10.5	10.2
Deputy Chief Executive's including Regeneration & Neighbourhoods	18.3	17.4	17.2
Environment & Leisure	72.5	70.3	69.9
Finance & Resources	49.2	46.4	46.7
Health and Community Services	112.5	104.4	107.8
Housing Services	36.7	36.6	37.4
Total Service Budgets	398.8	371.9	375.6
Corporate Budgets	(64.4)	(60.8)	(63.0)
Total Budgets	326.4	311.1	312.6

68. High level schedules of budget proposals for 2012/13 and 2013/14 are attached as Appendices A – E.
69. The following paragraphs contain commentaries from each department.

Children's services

70. Children's Services currently represents around 28% of the council's net revenue expenditure. The department provides universal services as well as those targeted at more vulnerable families and children. There continues to be a high level of demand for services for children in need. Recent DfE data identifies Southwark as having the 5th highest rate of children in need nationally (compared to 7th in 2009/10). These services are delivered through three divisions.
- The Specialist Services Division supports delivery of statutory social care functions, including protecting vulnerable children and those at risk of harm, providing services for looked after children, foster care, adoption, youth offending and children with disabilities.
 - The Education Division supports the delivery of universal services, including early years, school improvement, admissions, after school play and youth services, alongside more specialist services for children and young people with additional needs such as SEN or those excluded from school.
 - The Strategy, Commissioning and Business Improvement Division provides data to support targeted service delivery, manages the multiple inspection processes, and commissions a range of placements and other services for

vulnerable children. In addition the division leads on specialist parenting services, compliance and departmental governance and project support for the free healthy school meal programme.

71. To deliver the challenging budget savings for 2011-14, Children's Services remains focussed on the key priorities set out within the Children and Young People Plan:
 - Thinking family – families at the centre of all we do;
 - Narrowing the gap – better and more equal life chances for all;
 - Raising the bar – high-quality provision that meets local needs;
 - Succeeding into adulthood – at-risk young people achieve wellbeing;
 - Working together – children are safeguarded from harm and neglect.

72. During 2011/12 £5.763m of savings are planned to be achieved. When the significant reductions in government grants for children's services are taken into account around £12m has been taken out of the budget.

73. For 2012/13 the Children's Services budget is proposed to be £86.4m. The total savings and commitments for the department remain unchanged from those agreed at council assembly in February 2011. However additional growth of £250k has arisen from the new legal requirement to ensure that rates paid to Family and Friends carers are comparable to those paid to the local authority approved carers. The council's continuing commitment to free healthy school meals as set out in the budget for 2011/12 will continue. In September 2012 these will be rolled out to primary pupils in years 2, 3 and 4.

74. Further, the following amendments are proposed as substitutions, in part, for staffing savings agreed in February 2011:
 - Transfer of the responsibility for universal Careers Services to schools from Local Authorities as set out in the in 2011 Education Act saving £700k in 2012/13;
 - Reducing back office and central management costs of Children's Centres saving £125k in 2012/13.

75. The savings by division are as follows
 - £1.6m Specialist Services (Children's Social Care)
 - £3.844m Education Division
 - £730k Strategy, Commissioning and Business Improvement Division

76. In delivering these savings we have sought to minimise the impact on statutory social care functions for the most vulnerable children and young people and so maintain the Council's responsibility to keep children safe.

77. The key drivers to achieving the reductions are to:
 - Maximise service effectiveness, drive down costs and ensure high quality provision within the available remaining resources;
 - Protect front line services by reducing back office costs and increasing productivity;
 - Reshape our retained services around the Council's core statutory duties for education and social care;
 - Reduce subsidies to non-statutory, discretionary services;
 - Further improve commissioning and procurement to increase value for money;
 - Further cut waste and duplication in supplies and services.

Children's services – summary equalities impact

78. One of the key aspects of the work of children's services will be to minimise the impact of the budget reductions proposed, particularly with regard to groups covered within the council's Approach to Equality. Southwark has the fifth-highest of children in need nationally, and yet has suffered one of the highest reductions in central government core funding. Children's services has and will continue to need to manage these reductions in light of its continuing statutory duties and in the context of transforming services.
79. Safeguarding children and young people is of the highest priority and any service reductions here or in related areas have been very carefully considered in relation to children at risk of harm in the community, and for the potential impact on vulnerable groups. Because of the continuing downturn in the economy, it is very likely that there will be increased demand for services to families in difficulty, for example in specialist services. Effective support for and by schools to meet a wider range of lower-level needs and so prevent problems escalating are required, particularly with the high level of need that our young people have in Southwark and the vulnerability of some schools. The growth of academies and free schools adds further complexities to the local school landscape
80. Actions to mitigate against the impact of budget reductions have been considered very carefully following the council's decision. This has included streamlining back-office processes and the department's management structures to protect frontline service delivery, as well as smarter procurement to drive down the costs of purchased services and stripping out any funding duplication. Contracts with external providers have and will continue to be scrutinised for potential savings without impacting on key groups. In addition, other mitigating actions have been put in place, including exploring alternative delivery models, such as working in partnership with schools to deliver services in a different way, as well as understanding the local impact of initiatives or actions taken at a national level. This process is ongoing and a critical aspect of developing the initial budget proposals.
81. A more detailed report has been produced on the potential impact of the agreed budget reductions so that these can be fully considered within the decision-making process. As each proposal is implemented, further analysis, including a detailed equality impact assessment for each service affected by the council's decision, will underpin individual service development and reconfiguration

Communities, law and governance

82. Communities, Law and Governance (CLG) includes the Council's statutory monitoring officer function and is also responsible for legal services, electoral services, coroners, registrars and scrutiny and community engagement functions.
83. The overall vision for Communities, Law and Governance is to ensure that the Council's services are accessible, accountable and efficient, delivered lawfully and engage and empower local people. We will contribute to the fairer future for all by reducing our own costs while continuing to support members in their leadership role and our partners in the voluntary and community sector (VCS).
84. The budget for Communities, Law and Governance in 2012/13 is £10.2m.

85. The budget plans for Communities, Law and Governance include a commitment item of £50k to support continuing activities within Community Action Southwark (CAS) and their work to ensure effective working with the voluntary sector in Southwark. There is also a growth item of £62k to deal with the increased volumes of enquiries and pressures of the Freedom of Information (FOI) and Data Protection Act (DPA) regimes, to free up departments through stronger central support.
86. In February 2011 it was agreed to deliver savings within Communities, Law and Governance of some £2.4m over the three years from 2011/12 through rationalising back office and support costs and service reconfiguration. The department also inherited a savings item within registrars of £100k. Savings of £1.1m have already been delivered in 2011/12. The remaining savings will mostly be delivered in 2012/13, from resizing and reviewing team structures across legal services. There will also be some reductions in non statutory committees.
87. The Community Councils are to be retained as a valued way of engaging with local people and bringing our services closer to the people we serve. However, the current cost of running the community councils is in excess of £1m and this is not sustainable in the current context of severe reductions in public expenditure. The council's democracy commission was asked to undertake a fundamental review of the work of the community councils, including resident consultation, which examined the role and function of community councils and whether the current functions and powers are the right ones to meet the aims of community councils in the current resource context.
88. The review concluded in December 2011 and recommended reducing the number of community councils to 5, reducing the number of meetings to 5 per year, establishing 2 planning sub-committees for minor applications, removing school governor appointments and making changes to marketing publicity and engagement at meetings. Some of the changes will require alterations to the constitution, which will be referred to the constitutional steering panel to recommend to council assembly in due course. These changes will deliver the required saving of £344k on the cost of operating community councils. The recommended boundaries of the 5 Community Councils are:
- merge Borough & Bankside and Walworth.
 - merge Bermondsey and Rotherhithe (retaining the current split of Livesey Ward between Bermondsey & Rotherhithe and Peckham & Nunhead).
 - merge Peckham and Nunhead & Peckham Rye.
 - Dulwich unchanged.
 - Camberwell unchanged

Communities, law & governance – summary equalities impact

89. The department consists of four divisions providing back office services and indirect and direct services to individuals and our communities. The proposed year two savings are largely driven by localised efficiency measures but also include one area of service reduction. More significant is the review of the voluntary sector grants programme in the context of reductions in government funding.

90. Each division is undertaking equality analysis – the most significant impact of the proposed savings is in relation to staff with a total net loss of 18 posts. Current options and future implementation will seek to minimise this impact. It is recognised that divisional numbers are very small presenting a limitation to mitigation opportunities.
91. A full consultation process has taken place with the voluntary sector to elicit their views and explore ways in which the Community Support programme could be re-configured. In the next stage of analysis currently funded groups are submitting information based on the equalities strands to inform the application and assessment process as it proceeds

Deputy Chief Executive's (DCE) including regeneration and neighbourhoods

92. The DCE department is made up of human resources, communications, corporate strategy, organisational development, planning and transport services (including building control and development management and policy), economic development, housing strategy and regeneration, property and the major regeneration schemes.
93. The DCE department will deliver on the fairer future vision by having a relentless focus on rationalising support services so more money is protected at the frontline and working alongside others to provide the organisation with the tools to innovate and transform service delivery. It will also be focused on delivering functions that help achieve local policy priorities. This will mean working to ensure the benefits of regeneration can spread across the borough including in strategic areas such as Elephant and Castle and the Aylesbury but also within Peckham, Nunhead and Camberwell.
94. There will be opportunities within the department to streamline structures through rationalisation of internal organisational arrangements. There will be an imperative to maximise opportunities from very limited external funding streams. Resources will be focused on the most vulnerable through partnership arrangements with developers to help create jobs and through optimising council land and property to achieve policy objectives. Seeking alternative ways to deliver services will also be a priority.
95. The proposed indicative budget for the department in 2012/13 is £17.2m.
96. It is proposed to deliver savings of some £1.057m in 2012/13 through service re-configuration, review and management restructuring. This will be achieved by rationalising back office and support costs and merging functions as a result of bringing together previously separate departments.
97. Savings will include reviewing how services are provided, such as across community housing functions and housing renewal, so they are retargeted to deliver a more effective service for those most in need.

Deputy Chief Executive's including regeneration and neighbourhoods – summary equalities impact

98. The services within DCE are largely back office, with a small amount of front line customer contact, while the regeneration schemes have the greatest direct impact externally. Savings are proposed to be realised through service reconfiguration and reducing support costs. Therefore any impacts would fall

primarily on staff rather than service users. As specific proposals are put forward, and at each stage of implementation thereafter, the different impacts on different categories of staff will be assessed. Service heads are committed to deliver savings as far as possible to maintain the level of service.

99. As part of the communication savings, there is a proposed move to greater use of electronic communications and social media so there may be potential impacts on those with limited or no access to a computer. This will be assessed in the ongoing evaluation of all communications activities and further mitigated through supporting access through other publications or formats for example face to face communications.
100. Residents across all housing tenures, visitors and businesses in the borough are all beneficiaries of regeneration schemes. Regeneration activity is targeted towards the more deprived areas and disadvantaged groups in the borough. There is a risk that proposals could disproportionately impact on the most disadvantaged and vulnerable groups and geographical areas in the borough and mitigating action has been identified. Where external funding has been reduced, the mitigating action is to retarget available budgets to schemes that support people with the highest level of need as far as possible. The department also proposes to maximise income on commercial properties and through restructuring planning application fees. As with all proposals equalities impacts will continue to be assessed through out.

Environment and leisure

101. The services provided by Environment and Leisure currently make up around a fifth of the council's total service budgets and they can be broadly grouped into:
 - Environment covering: the public realm such as parks and open spaces, parking, highways, cleaner greener safer initiatives, cemeteries and crematorium; sustainable services, such as waste management and refuse collection, street cleaning and recycling, carbon reduction and energy projects.
 - Community safety covering: Safer Southwark Partnership, drug and alcohol teams, emergency planning, environmental health, the community wardens, anti-social behaviour unit, environmental enforcement, noise teams and CCTV.
 - Culture, Libraries, Leisure and Learning covering: arts, museums, leisure centres, sports outreach, libraries and adult learning.
102. The overall vision for these services is to make Southwark's neighbourhoods great places to live, that are clean, safe and vibrant and where activities and opportunities are accessible to all. The department's approach to achieving the savings has been in accordance with the budget principles to focus on a core provision of quality services, efficiency savings, smarter procurement and tougher contract management; reducing optional services and using data and intelligence to target services to places or people where they will be more effective.
103. The budget for environment and leisure services in 2012/13 is £69.9m.
104. The budget proposals include commitments of £1.1m for 2012/13, of which £500k is to cover the loss of income within parking services as a result of better compliance and lower traffic volumes due to economic downturn, £444k for

additional corporate unavoidable costs during the five weeks of the Olympics games (one year only), £80k for loss of income from Stead Street car park which is being closed for housing development, and £44k relates to additional TfL costs for maintaining traffic signals.

105. Savings of £4.3m are proposed for 2012/13, with further indicative savings of £2.3m in 2013/14. This is in addition to £6.9m already achieved in 2011/12. The total savings of £13.5m over three years represents 23% of the budget for 2010/11. The savings proposal for 2012/13 is some £1.8m more than the indicative 2012/13 savings agreed in February 2011.
106. It is proposed to make £850k of reduction in public realm over the two years from 2012/13. Savings will be made through two major procurements that will start in 2013/14 for parking and highways contracts. The reactive street maintenance budget will also be reduced and management arrangements for South Dock Marina will be reviewed to generate efficiency savings.
107. In sustainable services, £1.8m savings can be achieved by recalculating waste PFI cost profiling due to lower waste tonnage than anticipated at contract negotiation. Further efficiency savings have also been negotiated with the waste contractor including some specification changes. Other savings arise from rationalising divisional management structures and utilising spare capacity from the waste and recycling centre at the Old Kent Road Site. These proposals will deliver savings of £2.2m over the two years from 2012/13.
108. It is proposed to save a total of £1.2m across the community safety and enforcement division over the two years from 2012/13, in addition to £1.8m (25% of budget) savings made in 2011/12. This will be achieved through management restructuring and service review and reconfiguration. The loss of grants and reduction in funding has resulted in the service cutting a number of current functions and the division has moved to a closer and more collaborative approach with partner agencies to maximise the resources at their disposal. The proposals include the re-organisation of the division, sharing the commissioning of drugs and alcohol services as well as merging CCTV monitoring and maintenance services with other authorities. The proposals also include release of a second phase of savings from the re-organisation of the community warden's service around our key town centres, supported by a response service for the whole borough, which was approved as part of 2011/12 budget process.
109. It is proposed to restructure and re-organise management and support services within culture, libraries, leisure and learning. It is also proposed to make contract savings from the new leisure management agreement and restructure the Community Sports unit with the ending of the Southwark Community Games from 2013/14. The library services review identified £397k savings over two years, without closing any libraries. These proposals will deliver some £1.7m of savings over two years from 2012/13.
110. There are plans to generate additional income of some £715k over the two years from 2012/13 through increasing charges across a range of services. This is in line with local policy to increase discretionary fees and charges to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc) as set out in the Medium Term Resources Strategy. The proposals also include reorganisation of road network management team to include new London wide permitting scheme and other highway licensing functions..

Environment & leisure – summary equalities impact

111. Our approach to achieving savings across the Environment, Culture and Community Safety portfolios is in line with the Cabinets budget principles, and we have sought to do all we can to protect front line services and offer continuity of services to our most vulnerable residents.
112. However the majority of our services in this area are front line and directly delivered to all residents and changes and reductions to delivery are inevitable in order to meet the scale of savings required.
113. In order to minimise front line reductions and impact on the wider community and equalities groups we have sought to make savings through efficiency, back office reductions and processes, leaner staffing structures and negotiating better value from our contractors.
114. Wherever possible we have sought to share resources and work with partner organisations to identify new ways of working that may deliver efficiencies and improved value for money, as well as maximising opportunities for increasing income.
115. The following proposals have been assessed as having the highest community and equalities impact:
- The proposed changes to reactive street maintenance and focusing resources on urgent repairs.
 - The proposal to rationalise the school crossing patrol service
 - The proposed re-targeting environment grants programme
 - The proposed introduction of cashless parking across the borough.
 - The proposal to increase the parking fees to Inner London average.
 - The proposed reorganisation of the Community Wardens Service to focus on three key town centre locations, supported by a response team service, parks team and separately funding Borough and Bankside Team, linked directly to the retained but smaller environmental enforcement team
 - The proposed restructure of community sports unit and cessation of the Southwark Community Games in 2013/14
 - The review of the Libraries Service.

Finance and resources

116. Finance and resources provides the corporate support services of finance (in direct support of the council's section 151 statutory function), facilities management, information and data services and procurement, as well as the revenues and benefits service.
117. The overall vision is to achieve excellent financial and resource management to help the council achieve key policy objectives in delivering a fairer future for all. Resources will need to be managed well with sound and robust audit and governance underpinning delivery of policy objectives. There will be a continual, rigorous focus on effective resource management, financial monitoring and control so that value for money outcomes are achieved across all council services.

118. The indicative budget for Finance and Resources in 2012/13 is £46.7m after the proposed savings.
119. It is proposed to deliver savings within Finance and Resources of £2.7m for 2012/13 through management restructuring, rationalised back office support and new contractual arrangements for facilities management, information and data services. The savings include a further review of finance functions across the council, building on the recent shared services review. This will also include a review of audit, anti-fraud and risk services to refocus priorities and reduce running costs. Savings will also be achieved through smarter procurement and contract management.

Finance and resources – summary equalities impact

120. The finance and resources department is committed to achieving the required level of savings as per the Cabinet report of January 2012 (Policy and Resources Strategy 2012/13 - 2014/15 - Revenue Budget). The departmental proposals are grouped into three areas: rationalisation, innovation and redesign, and transformation. The impact of implementing these will fall on staff as numbers are reduced. The management team is committed to assessing the impact on staff to ensure fairness and equality. As budget reductions are implemented the impact on staff will be considered in detail throughout the implementation of each proposal.

Housing

121. In early 2011, the council established a stand-alone Housing Services Department, comprising the following divisions: Area Management, Maintenance & Compliance, Major Works, Community Housing, Customer Experience and Home Ownership and Tenant Management Initiatives. Though much departmental service delivery is landlord-based and therefore accounted for within the HRA, there are important general fund elements, which are set out below:

Division	General Fund Services
Area Management	Travellers Sites
Maintenance & Compliance	Stairlift Maintenance
Community Housing Services	Temporary Accommodation Housing Assessment & Support Older Persons Housing Options External Homeless Partners
Customer Experience	Customer Service Centre Concessionary Fares

122. The departmental vision for Housing Services is to make Southwark homes great places to live where good quality services are delivered right first time. To achieve this, the department aims to improve by working with residents to deliver consistently high quality services, doing more for less and supporting the most vulnerable residents.
123. Taking the various aspects of Community Housing together, the demand for temporary accommodation is a principal area of concern, and alternatives to the high cost options of utilising the private rented sector and bed and breakfast

placements continue to be explored with some success in mitigating this pressure in cost terms.

124. As part of the council's medium-term budget plan, savings were identified against the Customer Service Centre for 2011/12, predicated on the basis of a fundamental contract realignment. A strategic review is underway and the council's options to deliver the service improvements required at reduced cost are being assessed. This includes ongoing negotiations to deliver improved contract management, and realise savings through operational efficiencies with a reduction in volumes without adversely impacting upon service delivery. The council remains committed to this means of transforming customer access as a policy objective.
125. In terms of 2012/13, significant savings proposals include a restructure of the Housing Renewal (£110k) and Housing Options (£38k) teams; a reduction in temporary accommodation placements (£38k) within an overall total of £284k. Regarding the wider budget planning horizon, anticipated savings relating to the Customer Service Centre contract form £750k and up to £4.1m of totals for 2013/14 and 2014/15 of £904k and £5.0m respectively.
126. The proposed budget for Housing Services in 2012/13 after the proposed savings is £37.4m.

Housing – summary equalities impact

127. In developing budget proposals, we are committed to delivering savings which, as far as possible, maintain front line provision, and to achieving this through efficiencies in back office support, more efficient cross department working and maximising income
128. Mitigation of the impacts has been consistent with this commitment, and includes measures such as managing savings through efficiencies and streamlining, as well as contract management to maintain and maximise value and service
129. Specific equality impact assessments will continue to be undertaken as part of on-going considerations around the implementation of the budget decision. This includes assessment of cross cutting impacts. Equality impact assessments will continue to be embedded in the process moving forward

Health and community services (adult social care)

130. Health and community services provides support for the most vulnerable people in our community. These are frail older people, including those with dementia, disabled people of all ages, people with a learning disability and people with mental health problems. This includes residential and nursing home placements, services to allow people to maintain independence and support them living in their own homes, home care, day care, intermediate care, advocacy and support, equipment to aid daily life, transport and meals on wheels. People who are eligible for social care increasingly have personal budgets, including direct payments, where they self-direct the support they need to meet agreed outcomes.
131. The overall aim for health and community services in relation to adult social care is to deliver a fairer future for older and disabled people by creating a sustainable system that continues to support the most vulnerable and deliver value for

money. This requires a change in the way the council works across the whole system of adult social care. It will mean different relationships between the council and the community, where families and older and disabled people will be expected to do more for themselves, with less reliance on the council. It means moving to a model where older and disabled people can contribute and exercise greater control over their own lives, improving their health and well being. This will also mean containing growth in demand, focussing council support to the most vulnerable, providing services differently but always with an aim to maintain and improve quality.

132. The proposed budget for health and community services in 2012/13 is £107.8m after savings of £10.3m. Key savings areas for 2012/13 are detailed below.
133. Reducing supporting people budgets for housing related support in the community for all clients. This will be done through a combination of efficiency and service reductions. In 2012/13 funding will be withdrawn from some services, including lower support community based services for offenders (£250k) and people with substance misuse problems (£60k). Lower level support to former homeless groups, including people with learning and physical disabilities, mental health issues and older people will be reduced by £260k. In addition there will be a reduction in hostel capacity by decommissioning two hostels for homeless people (£1.18m).
134. The redesigning of mental health services, including a two year programme reducing day care services by £400k, will allow the move to personal budgets. An innovation fund of £150k will be made available to encourage a wider variety of service provision.
135. For services to older people the merger of management arrangements in two council run day centres for older people will save £100k. This will mean a shared management arrangement between the Fred Francis and Southwark Park day centres.
136. The redesign of day centre provision for people with learning disabilities, saving £1.0m and developing clients' independent living skills will facilitating their access to local services. To support these changes an innovation fund of £100k will be made available.
137. Other areas of savings include driving down costs through smarter procurement across a range of care services and developing a new customer approach for personalised services across adult social care, reducing posts in assessment & care management and commissioning to save £881k. In addition, the phased transfer, over three years, from high dependency on residential care into community based services will also contribute towards overall savings.

Health & social care – summary equalities impact

138. H&CS budget proposals are in the context of Southwark's vision for adult social care. We want people to live independently and well in the community for as long as possible, accessing personalised care and support services based on their choices. We need to consider redesign and reconfiguration across the system to be sustainable, continue to support the most vulnerable and deliver value for money. With limited resources, the council also needs to prioritise meeting its statutory duty to offer services to people with eligible care needs (currently set at substantial and critical needs in Southwark).

139. Key areas where savings are proposed include:
- re-shaping day services across all client groups
 - shifting the balance of care from residential provision towards community support
 - obtaining best value from contracts and effectively targeting, including a cross-borough framework approach for Supporting People contracts
 - bringing greater consistency to our contributions policy. This may also include bringing our policy more in line with a majority of London boroughs in terms of the maximum allowable amount to be charged
 - adapting our social care workforce in order to deliver this new journey for customers and embedding a personalised approach in all the work we do
 - re-designing our approach for young people with learning disabilities coming through transition, supporting independent living and a seamless experience.
140. Equality analysis for the overall budget proposals is currently being refreshed. Some proposals have also been refreshed, with some individual savings figures revised. While this does not mean that service redesign and transformation will not need to occur, it seeks to try and ensure that transformation can be achieved most effectively and with the best outcomes for individuals. Individual proposals that are agreed to be taken forward may need individual, detailed equality analysis as appropriate.
141. Overall, the budget proposals are likely to have greatest impact on older and disabled adults in Southwark, primarily those with eligible care needs (as outlined above). In addition, there is the need to consider the impact on black and minority ethnic (BME) communities in certain areas, particularly linked to open access services. For those people with eligible care needs, there is also the potential for an impact on carers, the majority of whom tend to be women.
142. The key impact is around services not continuing to exist or being offered in a different way. As part of our overall vision for adult social care, it is likely that, in future, there will be fewer people receiving ongoing, long-term social care support. Instead, we are looking to focus resources on time-limited interventions that help people get back on their feet, such as re-ablement services, and supporting them to understand how they can best help themselves and make key contributions to the wider community
143. We propose a range of mitigating actions to try and minimise any potential negative impact. These include:
- progress on our personal budget model (including direct payments in cash) so people understand how much is to be spent on their care and support, and can then make decisions about the ways they wish to use their money.
 - focus on supporting a diverse market to develop in Southwark, so that there are services available for people to spend their personal budgets
 - develop and improve partnerships involving individuals, communities, voluntary and private sectors, the NHS and the Council's wider services
 - improve procurement and commissioning processes, and streamlining back office functions thereby focusing resources on frontline services
 - promoting innovation in service provision and opportunities for small, limited cash injections that could enable organisations to become financially self-sustaining

- develop proposals for effective, targeted interventions that can provide help and support for carers, recognising the key role that they play, both in delivering care and in preventing people's care needs from increasing
144. Work on contributions for community-based services will continue to be in line with government guidance and will need to include consultation with users. Around 50% of people receiving services in Southwark are not required to make a contribution
145. The overall approach for adult social care services in Southwark may also have a positive impact on equality strands.
- Personal budgets offer an opportunity for people to access personalised support services that take account of cultural preferences, e.g. being able to choose a carer of your own gender – evidence suggests this is particularly true for BME communities, lesbian, gay & bisexual communities and for transgender people.
 - Moving away from residential provision and to supported living in the community is designed to support people to live independently and well at home for as long as possible, recognising they may need some particular initial support to do so
 - A single point of informed contact supports better use of resources and targeted information and advice for people at an early stage, regardless of whether they receive state support for care.
146. We recognise that we will need to work closely with partner across the council, particularly in areas like housing and employment, to understand the cross-cutting impacts of the need to reduce spend in these areas and our desired outcome of helping more people to live independently and well at home and in the community

Community restoration fund

147. Southwark has a strong sense of community which was put to the fullest test when on Monday 8 August 2011 parts of the borough experienced disturbances, following similar disturbances in north London. The disturbances were a difficult and challenging time for all concerned with pressure put on local resources.
148. The disturbances had the potential of creating further tension but instead the local community responded positively for example through the community-led "Peckham Wall of Love". Furthermore, a series of community conversations followed in which individuals and groups have provided insight into the impact of the disturbances and what can be done to learn for the future.
149. As an immediate response to the disturbances the council set up an emergency small business recovery fund of £100k to provide immediate, short-term support to small businesses in Southwark physically affected by the public disorder. Around £85k has been spent to date. The fund was covered from the Financial Risk Reserves. Other resources have also been set out by the government to support local areas to recover from the public disorder and the council continues to pursue all opportunities to secure this funding for the borough.
150. The full impact of the disturbances may however only become apparent over the medium to longer term. Short term, immediate funding is helpful, although it is

important for the council to look at ways in which it can support communities to rebuild in those areas most severely affected by the disorder over the longer term.

151. The budget for 2012/13 only therefore includes a proposal to establish a fund of £1million to support activities focused on restoring local community pride and delivering longer term solutions to support business and the wider community. Activities that support the positive contribution that young people bring to local communities will in particular be prioritised through the fund, and it is intended that the fund be split between support to businesses and to young people.
152. The council will work with local business leaders, business organisations and other key stakeholders to finalise the details of the fund, and this will be presented to Council Assembly.

Cleaner, greener safer revenue budget

153. It is proposed to introduce a cleaner, greener, safer revenue budget, equating to £10k per ward, for community councils to determine from 1 April 2012. This £210k revenue fund will be supported by officers in the Communities, Law and Governance department in collection and presentation of bids. Decisions on allocation of funding will be taken by community councils. The criteria for this fund will include giving community councils the flexibility to support the provision of local services that have been reduced due to the impact of spending cuts on the council.

Voluntary sector transition fund

154. In 2011/12 a transition fund of £1.5m was established over two years, £1m in 2011/12, and £500k in 2012/13, with no provision for 2013/14. The fund was set up to provide interim support in helping VCS organisations make the changes necessary to meet the challenges from reduced public sector funding and work with the Council to develop a more sustainable sector
155. Phases 1 to 3 are now complete across 2011/12 committing £743k of expenditure with 54 organisations across the borough. The balance of the funding will be committed during 2012/13. Details of VCS organisations supported so far are included in appendix F.

Concessionary fares (i.e. "Freedom Passes")

156. Concessionary fares is the name given to the London Freedom Pass which is issued to all older and disabled Londoners to give free travel on almost all public transport in London. The Freedom Pass scheme is administered by the organisation London Councils and costs are recharged to individual London boroughs on the basis of journeys travelled.
157. In recent years there have been significant changes impacting on the cost of concessionary fares, changes in grant funding to London Councils and a phased transfer from passes issued to passes used have now resulted in a fairly stable base.
158. However the year on year change in the cost of the freedom pass is subject to inflationary increases and changes in usage. Transport for London (TfL) are the

largest operator charging London Councils, and were planning to increase their charges by July RPI + 2% (7.0%).

159. The Chancellor's Autumn Statement stated that fares should only increase by RPI + 1%, and the Mayor of London has announced a reduction in the average cost of fares for 2012 on this basis. The concessionary fares charge to London Boroughs for 2012/13 was discussed at London Councils' Transport and Environment Committee on 15 December 2011, and the final increase has been confirmed as £792k.

Superannuation fund contributions

160. The actuarial review published in March 2011 identified the funding required over the period 2011/12 to 2013/14 to cover the pension fund deficit.
161. To enable the deficit to be funded, additional resources are required for 2012/13 of £1m. This requirement will continue into 2013/14 and 2014/15 at £1.5m and £1m respectively.
162. The position will be revised when the next actuarial review signed off, this is likely to be in March 2014, although interim figures will become available during summer 2013.

Agency workers directive

163. The Agency Worker Regulations come into effect on 1 October 2011. Under these regulations, agency workers will be entitled to at least the same pay and some conditions as though they were directly employed by the council after 12 weeks. They do not gain employment rights, e.g. redundancy. Conditions such as occupational sick pay and access to pensions are also excluded. Agency workers can continue to be paid more than substantive staff; employees do not have rights under the regulations to make claims of comparability.
164. From 26 December 2011, agency staff employed since 1 October 2011 have been entitled to the same annual leave entitlement as a substantive worker and at a minimum, the same level of pay that would be paid to a new worker in that role.
165. Action is currently being taken to mitigate this. Managers were required to review the use of agency staff as at 31 December 2011 when all assignments ceased unless authorised for extension.
166. However there are exceptional circumstances where agency staff are essential for provision of critical front-line service, such as street cleaners. The use of agency staff will continue to be strictly monitored through management action to ensure costs are minimised, in line with the council's Medium Term Resources Strategy.

London living wage

167. The London Living Wage (LLW) was introduced in 2005 to provide headroom above the National Minimum Wage (NMW) to stop working Londoners from falling into poverty.

168. In November 2008 Council Assembly agreed to support the LLW by paying all staff, including staff employed by contractors providing a service on behalf of council, the London Living Wage. The 2011/12 – 2013/14 Workforce Strategy (part of the Medium Term Resources Strategy) includes “To ensure all staff employed by the Council are employed at or above the London Living Wage”.
169. In 2011/12, Southwark was one of a minority of councils in London to pay all its permanent employees at or above the LLW. Cabinet members have now asked that officers plan to bring all contracted staff up to this level over the next three years. Future new contract procurements will contain the requirement for contractors to pay employees the LLW.
170. The Mayor of London set the LLW at £8.30 per hour in May 2011. This is 14.5% above the £7.25 per hour poverty threshold wage and 40% above the £5.93 per hour NMW, and represents an increase of 5.7% over the 2010 LLW.
171. Included in the 2012/13 budget is a £1m allocation required as a consequence of the agency worker directive, requiring parity pay rates with council staff and the application of LLW. Further budget commitments will be required over the next three to four year period as existing contracts are relet. Currently it is estimated that additional resources of £3m will be required by 2015/16, although this commitment will be subject to rigorous procurement processes linked to quality improvement in the services being delivered.

Human resources

172. The 2011/12 budget proposals required a reduction of some 400 FTE posts to achieve the savings. The 2012/13 proposals, appended, require a further significant reduction in posts arising from the general fund savings programme. As in 2011/12, management will look first at vacancies (a selective recruitment freeze has been in place for over 2 years), and agency / temporary staff cover, as well as through natural wastage. The council has tried and tested procedures to manage workforce change and has prepared to provide greater emphasis on the redeployment process, supporting staff and in mitigating redundancies.
173. On 19 July 2011, a report was presented to cabinet on amendments to strategic management arrangements. This report will help kickstart the process for cabinet to deliver on their commitment from the 2011/12 budget setting to cut £1m from the costs of senior managers over the next two years, and divert the money saved back into frontline services. A further report on senior management arrangements is planned for cabinet in March 2012.
174. There are some underlying principles that the Council will aim to maintain through this period of significant change whilst trying to ease the financial pressures over the medium term, which form part of the medium term resources strategy:
- To aim to maintain our standing as a good employer and as an employer of choice.
 - To continue to provide opportunities to refresh the workforce through apprentices, trainees etc. and employ high quality specialist staff to critical hard to fill roles, particularly as recruitment is curtailed.
 - To implement a framework for managing and learning from change process, overcoming barriers and emphasising the positive aspects.

- To undertake equality impact assessments at all critical stages of the change process.
- To encourage innovation and technological opportunities where these best deliver intended outcomes.
- To continue to invest in learning and development; and provide accessible, targeted and high quality corporate learning, targeting skills maximisation, leadership capacity and nurturing career development.
- To sustain a remuneration strategy that supports organisational objectives and is affordable, perceived as fair and retains a diverse motivated workforce.
- To review top pay in line with Hutton inquiry report (due March 2011); and review the application of terms and conditions and discretionary elements to ensure they are contemporary and fit for purpose.
- To promote innovation and voluntary schemes which contribute to the reduction of the overall paybill for example through flexible working, flexible retirement; and to facilitate fast track approval.
- To continue to make progress in key areas of sickness management and agency controls.
- To maximise opportunities for redeployment utilising the existing workforce positively to meet future needs
- To ensure all staff employed by the Council are employed at or above the London living wage.

Use of balances

175. As a result of the unprecedented reductions in government grant for 2011/12, and the short notice given by the government to identify savings, reserves were used to support the 2011/12 budget setting process. Given the unprecedented nature of the circumstances facing the Council, the Finance Director recognises the need to use limited balances while strategies and plans are put in place to deliver service changes that match resources available. He also recognises that the contributions from balances must be limited as the use of balances cannot be sustainable in the long term as they become exhausted.
176. For 2011/12 £3.4m was taken from reserves, the indicative budgets for 2012/13 and 2013/14 required an additional £2.8m and £0.1m from reserves, although 2013/14 did not contain any estimate for grant reduction.
177. Current budget proposals will require a contribution from reserves for 2012/13 of £4.4m, an increase of £1.6m from the indicative budget. This is because savings and income are £1.1m higher than indicated in 2011/12, growth commitments have increased by £2.6m, and council tax income is £0.2m less due to a lower than anticipated tax base, this is matched by an increase of £0.2m from a 0.25% increase in collection rate and an estimated collection fund deficit of £0.1m for the year ending 31 March 2012.

2013/14 and beyond

178. From 2012/13, the Localism Act, which received Royal Assent on 15 November 2011, has given communities the power call for a referendum if an authority raises council tax above a limit determined by the Secretary of State. The Secretary of State's limit for 2012/13 was announced on 8 December 2011 as 3.5%.
179. On 18 July 2011 the government commenced a consultation on the Local Government Resource Review, including proposals for business rates retention (at the local level). This began the process that will culminate in a significant change in the way that local government is funded. Business rates are currently collected by local authorities, and paid to the government, and then reallocated through the grant formula. Under the proposals included in the consultation, authorities will keep the business rates that they collect, subject to a threshold/baseline set by the government. The government will set a baseline, similar to the cost floors under the current funding mechanism. Authorities below the threshold will be described as "top up" authorities, and will receive additional funding up to the threshold. These top ups will be funded from tariffs taken from authorities generating business rates above the threshold. Southwark is likely to be a top up authority. This consultation concluded on 24 October 2011.
180. The proposals to retain business rates locally raise two fundamental issues which are thought to impact on adult social care services. There is a concern that a new funding system created through localised business rates may not address the funding gap between the resources available to local authorities for adult social care and the increasing demand for care. If this is not addressed, then the council would have to consider service reductions and / or increased charges, with adverse impacts on service users and carers, and it is also likely to impact on the health service and other public services. There is also uncertainty over the relationship between the proposals set out in the consultation and the potential implementation of the report of the Commission on Funding of Care and Support.
181. On 2 August 2011 the government commenced a further consultation on the localising support for council tax through benefit from 2013/14. The government's proposals are to transfer the responsibility for developing local schemes for council tax benefit to local authorities, who should protect pensioners and the vulnerable, while, at the same time, reducing the amount paid to local authorities by 10%. Instead of receiving council tax benefit subsidy to match payments, local authorities will receive a fixed amount, probably as a specific grant to fund the new local system. This consultation concluded on 14 October 2011.
182. On 31 October 2011, the government began a consultation on technical reforms of council tax. The reforms being proposed are largely around discounts and exemptions on second homes and empty dwellings, giving authorities full control on the level of discount they grant with a minimum of 0%. Other proposed changes include, moving from 10 to 12 monthly instalments and on-line publication of some elements of information supplied with the council tax bill. This consultation concluded on 29 December 2011.
183. If implemented, the proposals described above will require a large amount of new legislation beginning in the near future, all with a proposed implementation date of 1 April 2013, and all relating to council tax and business rates. The government hopes to introduce these proposals as part of the Local Government

Finance Bill, with primary legislation by spring 2012 and secondary legislation by the summer.

184. The changes proposed by the three consultations will necessitate major changes to software and processes to enable the proposals to be implemented on 1 April 2013. Delays in the legislative process will delay these changes being planned and implemented, putting pressure on local authorities' ability to levy council tax bills by 1 April 2012. London Councils have estimated that even a minor delay could result in bills not being issued until July, with clear cash flow implications for both the council and council tax payers.
185. In addition the introduction of localised council tax benefits is dependent on the deletion of the current council tax benefit scheme. This is currently being debated as part of the Welfare Reform Act, currently making progress through the House of Lord's Grand Committee. It is planned that the Welfare Reform Act gains Royal Assent during the current parliamentary session, although there is a risk that this could slip into the 2012/13 session.
186. Overall, the proposed changes set out above pass significant risk to local authorities. On business rates localisation, the risk of non collection which was previously borne by central government now transfers to local government. On council tax benefit, the 10% reduction in the total allocated to local government, coupled with the government's requirement to protect pensioners and the vulnerable, means that the remaining benefit recipients will have to have their benefits cut, or council tax benefits will have to be subsidised from already reducing resources.
187. There are also concerns with the timetabling of the local government resource review in that authorities may not receive their provisional individual settlements until very late in the 2012 calendar year and as such this will put pressure on the council's ability to plan effectively for the 2013/14 financial year. The council has attempted to mitigate this through setting out an indicative budget position for 2013/14, however, this is subject to many assumptions which are difficult to predict, not least because the funding system will be overhauled to a significant extent from 2013/14.
188. No indicative figure has been provided by DCLG regarding what individual authorities 2013/14 formula grant would have been using the current model. Government have stated that funding under the new regulations will be the same as they would have been under the current system for 2013/14, and that no council will be worse off than they would have been under the current model.
189. The timeline for local government reform, at the time of writing, is shown below:

January 2012	Publication of formal responses to the local government resource review consultation.
Before Summer 2012	Discussions with local government about the allocation of the baseline, ahead of further consultation.
November 2012	Ministers expected to announce each council's individual settlement for 2013/14.

December 2012 / January 2013	Consultation on provisional 2013/14 settlement and confirmation of final 2013/14 settlement.
April 2013	First year of the new funding methodology and local government control of council tax benefit.
January 2014	Councils informed of the final settlement for the current spending review period i.e. year 2014/15
April 2015	The results of a business rates revaluation, to be carried out over 2014, are fed into the system from 2015/16.

Dedicated schools grant (DSG)

190. In 2011/12, Southwark also received £196.67m of Dedicated Schools Grant (DSG), of which £168.478m is allocated to schools formula budgets and supplementary grants. The remainder is held centrally to provide pupil related services and for school related contingencies such as in year SEN statements adjustments. DSG will be adjusted throughout the year for schools that transfer to academy status. During 2011/12, the Pupil Premium unit rate increased from £430 to £488 per pupil. In total £3.982m of Pupil Premium was allocated to Southwark Schools and Looked After Children.

191. The provisional 2012/13 local authority allocations for Department for Education (DfE) grants were announced on 13 December 2011. DSG is kept at flat cash per pupil for 2012/13 and the same pupil number methodology will be used as for 2011/12. The minimum funding guarantee for schools remains the same as 2011/12 thus protecting individual schools from more than a 1.5% reduction in per pupil funding.

192. Final DSG pupil numbers and allocations will not be provided to local authorities until June 2012. Funding in the interim is to be based on 2011/12 pupil numbers.

2011/12 guaranteed per pupil unit of funding	£7,244.45
2012/13 guaranteed per pupil unit of funding	£7,244.45
2011/12 cash baseline (2011/12 DSG allocation before any recoupment deductions)	£219.23m
Minimum 2012/13 DSG allocation with -2% cash floor	£214.85m

193. The Pupil Premium has increased nationally for 2012/13 to £1.25 billion. The level has increased from £488 to a flat rate per deprived pupil of £600 and its coverage extended to all pupils who have been eligible for Free School Meals at any point in the last six years. The DfE have published indicative allocations setting out what schools could expect based on their existing pupil numbers at the increased rate. These figures indicate an increase in the region of £2.5m for Southwark maintained schools (£3.6m to £6.1m).

194. Up to £50m of the national funding available for the pupil premium will be used to support a Summer School programme to help the most disadvantaged pupils with the transition from primary to secondary school.

195. There is an indicative Early Intervention Grant funding allocation of £20.467m. This will be confirmed in the final settlement.

Capital programme

196. In July 2011, Council Assembly agreed the recommendations of the cabinet for a 10-year general fund capital programme 2011-21 of £351m. This will be refreshed in 2012/13 to add an additional year to the programme, to keep it as a full 10 year programme covering 2012-22.
197. The capital programme will be refreshed on the basis that projects in 2011/12 which have not completed in this financial year will be carried forward, with funding, to 2012/13. This will be monitored through the Q3 capital monitoring report and at outturn.
198. The Housing Investment Programme was agreed by cabinet in October 2011 at a value of £326m. This programme will be key in delivering the council's priority of ensuring all council homes are warm, dry and safe.

Greater London Authority

199. The consultation document on the Mayor of London's budget proposals for the GLA Group for 2012/13 (including the draft capital spending plan) has now been published. This includes the draft budget proposals for the Greater London Authority (Mayor and Assembly), the Metropolitan Police Authority, the London Fire and Emergency Planning Authority, Transport for London and the Olympic Park Legacy Company,
200. The consultation document confirms the Mayor's intention to freeze the GLA council tax precept for residents of the 32 London boroughs in 2012/13 at the same level as in 2011/12 (i.e. £309.82 per Band D property).
201. The closing date for responses to this consultation is 13 January 2012. Following the consultation the Mayor's draft consolidated budget will be submitted to the London Assembly for discussion at its meeting on 25 January 2012 with the final budget proposals scheduled to be considered at the Assembly plenary meeting planned for 9 February 2012. The London Assembly has the power to amend the Mayor's budget if they secure a two thirds majority for an alternative so the final budget will not be confirmed until after the 9 February meeting. The confirmed precept will then be presented to Council Assembly in February 2012.

A strong and stable resource base

202. In setting out the draft budget proposals for 2012/13 the Finance Director as the statutory section 151 officer is assured that the range of spending commitments and proposed savings are being set within the resources available that meet local priorities. The budget proposed for 2012/13 is therefore robust.
203. In addition to ensuring that sufficient funds are available to finance the ongoing management of the council services, the Finance Director needs to be assured that there is an appropriate level of reserves and balances available. The Local Government Act 2003 requires the chief finance officer to report on the adequacy of reserves held, and requires members to have regard to that report in setting the budget. The Act also gives powers to the Secretary of State to specify a minimum of reserves to be held, but those powers have not yet been applied.

204. Reserves are funds set aside from underspends or proposed budget contributions, to meet contractual commitments or future expenditure plans, including meeting risks or liabilities that may arise at a later date. For example, the council has a number of pressures which fluctuate over time and are unpredictable in nature. These could include winter maintenance (such as road gritting for highways) or meeting the upkeep of older buildings that the council operate from. Another example is one-off redundancy costs arising from restructuring. It may be that these costs cannot be met from existing revenue budget provision. Reserves are the most effective way in which to mitigate these pressures, subject to appropriate criteria. Therefore and, subject to an appropriate business case, reserves may be used to support these costs.
205. The council has a number of reserves. The most significant of which are:
- Modernisation, service and operational improvement reserve. This is for one-off expenditure and multi-year projects that are designed to modernise and improve service levels and operational efficiency of Southwark's activities. Schemes will include accommodation pressures, shared services, customer service improvements and information services. The use of the reserve is subject to protocols in accordance with the council's MTRS.
 - Regeneration and development reserve. This reserve is to fund one-off expenditure and multi-year projects to facilitate the significant regeneration and development taking place in the borough. Projects include the Elephant & Castle, Canada Water, Southwark Schools for the Future, and land acquisitions associated with these projects.
 - Financial risk reserve. This reserve is set aside against future financial risks that may arise. For example, taxation risk, legislative changes including actions involving the Greater London Authority, major projects, and risks as a result of unavoidable changes in accounting practice.
206. Due to the size, scale and complexity of projects and services across the borough the council is required to maintain a general level of balances to meet future unpredictable expenditure demands. Securing outcomes around key priorities of regeneration, recognising key operational risks attached to the unique size of our housing stock and more generally the levels of deprivation across the borough and associated factors, means that it is essential the council maintains a robust approach to both reserves and balances. Maintaining an adequate level of reserves and balances are therefore key factors in the Finance Director's assessment of the robustness of the budget.
207. The council's general fund reserves and balances at the end of 2010/11 totalled £91.2m, made up of £73.0m earmarked reserves and £18.2m general fund balance. In total this represents some 9.35% of the general fund spend in 2010/11.
208. The earmarked reserves, by their nature, are reserves set aside and earmarked for spending plans. Many of those spending plans were already in progress as at the end of 2010/11, especially around the council's modernisation agenda and major capital projects. The reserves also include balances that the council cannot freely reallocate, for example Dedicated Schools Grant unspent or PFI credits received in advance to meet future years' costs on the waste PFI scheme; or are balances that the council would not wish to redirect, for example the council's self insurance reserve.

209. General fund balances are intended to act as a contingency in the event of any extraordinary unbudgeted expenditure having to be incurred. The target level of working balances have been set at £20m over the medium term, as per the 2012/13 MTRS, in line with similar organisations in London. Although the council has made progress to achieving this level of balances, there have been insufficient surplus resources over the years to be able to achieve this target. Current general fund balances stand at £18.2m. This is 1.87% of 2010/11 general fund spend, which is below the cross London average of balances held (2.06%) and lower than the inner London average of 2.43%. Outer London boroughs tend to have smaller contingency balances, with an average of 1.80%, but that includes seven boroughs that proportionately hold balances greater than Southwark. The finance director will continue to review the level of balances and reserves and report to the cabinet through the normal monitoring process.
210. In setting the budget the council needs to be mindful of the continued uncertainty with regards future funding particularly beyond 2012/13. This strengthens the importance of maintaining a robust MTRS within which to plan council business and sustain delivery of essential frontline services.

Consultation

211. This report follows the Policy and Resources scene setting report of October 2011, and the Provisional Local Government Settlement report of December 2011. This report provides information on the resources which are anticipated to be available for 2012/13, which is the second year of a three year budget framework, agreed in February 2011. The budget agreed in February 2011 was supported by an extensive consultation undertaken in autumn 2010.

Next steps

212. Following consideration and agreement at this meeting, the budget will be recommended to Council Assembly in February 2012.

Equalities

213. This section details the process that has been undertaken to consider the equality impacts of the Council's budget proposals. The scale of the budget cuts have been particularly challenging, as Southwark is an area which has a high level of deprivation. It is therefore inevitable that our communities will be affected but analysis has been undertaken to understand these impacts and ensure that appropriate mitigation is put in place.
214. In September 2010, Cabinet agreed seven budget principles. One of the Council's budget principles is 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." The budget principles are consistent with the Council's new Approach to Equality, which was approved by Cabinet in December 2011 and provides a strategic framework for the Council to meet its duties under the Equality Act 2010.
215. The Equalities and Human Rights Commission (EHRC) recommended in 2010 that public bodies assess the impacts that their financial decisions might have on

equality groups where relevant and proportionate. EHRC guidance on using equality duties to make fair financial decisions, has informed our approach and the guidance we have issued to departments.

216. Each department has considered equality impacts throughout the development of budget proposals, and processes for identifying and mitigating cross-cutting or multiple impacts have been put in place. Departmental equality analysis will be available in full on the Council website, with summaries of the analysis included in the departmental sections of this report.
217. Where proposals are likely to have an impact we have ensured that we have identified how those impacts can be mitigated. The process for identifying and mitigating cross-cutting or multiple impacts has identified potential impacts on older people, young people and women. The equality analysis sets out specific mitigations to mitigate these impacts and we will continue to assess the impacts and identify what we can do to mitigate them as the budget is implemented.
218. Equality analysis needs to contain sufficient information, including the demonstration that they are evidence based, to enable the Council to show that it has paid 'due regard' to equality groups in its decision making and identify methods for mitigating or avoiding any adverse impacts. The Council has demonstrated this through ensuring that the consideration of equality issues has been embedded in the budget setting process. In preparing budget proposals, the Council has paid due regard to equality implications, including where the proposals relate to service changes or reconfigurations.
219. Some of the specific activities undertaken to demonstrate this include:
 - Explicit Cabinet commitment to equality made through its vision statement, "Fairer Future for All" and its "budget principles".
 - Consultation in-year with residents and staff via a range of forums, with findings from these consultations feeding into decision-making processes.
 - Training and guidance for officers and members on the requirements of legislation and the Council's policies around equality.
 - Embedding a framework for assessing equality impacts within the budget process, which was set out in guidance to Chief Officers and communicated through a cross-departmental equality leads officer group.
 - Process put in place for identifying potential cross-cutting and multiple impacts on the same equality groups/protected characteristics across departmental budget proposals, ensuring that these issues are fed into the departmental equality analysis process to assess the impact and identify what can be done to mitigate any impacts.
 - Equality analysis of departmental budget proposals prepared and developed.
 - Summary of departmental equality analysis included in the department sections of this report, with full departmental equality analysis available on the Council's website.

220. Equality analysis will continue to be undertaken as part of the on-going considerations around the implementation of the Council's budget. These will be prepared by departments in compliance with the Council's policies and procedures around undertaking equality analysis. Work to identify and mitigate cross cutting impacts will continue as proposals are developed further and implemented.

Community impact statement

221. This report sets out draft budget proposals for 2012/13. The impact on the wider community as a result of the proposals set out in this report has been captured through the assessment on equalities. As set out in the report, each department has considered equalities impacts throughout the process of developing budget proposals and where proposals are likely to have an impact we have ensured that we have identified how those impacts can be mitigated. Therefore as budget proposals are further developed and implemented through 2012/13 the impact on local people and communities will be subject to more detailed assessment and consideration.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

222. The report seeks Cabinet approval of the Council's budget for 2012/13 based on a nil increase in council tax and to note the changes likely to impact for 2013/14 and beyond, but which at this stage cannot be quantified. Cabinet approval is sought to agree the establishment of the Community Restoration fund for 2012/13 only. Cabinet are also required to recommend the budget to Council Assembly for approval on 22 February 2012.

Legislative framework

223. The Constitution provides that the Cabinet consider aspects of the control and regulation of the Council's finances. Section 32 of the Local Government and Finance Act 1992 ('the LGFA') provides that the Council has an obligation to calculate and agree an annual budget. The LGFA also requires the authority to set an amount of council tax for each financial year preceding that for which it is set. Pursuant to section 30 (7) of the LGFA no amount may be set before the earlier of the following: (a) 1st March in the financial year preceding that for which the amount is set; (b) the date of the issue to the authority of the last precept capable of being issued to it (otherwise than by way of substitute) by a major precepting authority for the financial year for which the amount is set. Section 30 (9) of the LGFA states that a purported setting of an amount, if done in contravention of section 30 (7) shall be treated as not having occurred.
224. Under section 39 of the LGFA, the Greater London Authority ('GLA') is defined as a 'major precepting authority'. The GLA is intending to set its precept on 9 February 2012. Council Assembly will be setting the council tax on 22 February 2012 which complies with the requirements set out in section 30 (7) of the LGFA.

Equalities legislation

225. The Equality Act 2010 introduced a single public sector equality duty. This duty requires us to have due regard in our decision making processes to the need to:
- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - (b) Advance of equality of opportunity between persons who share a relevant protected characteristic and those who do not share it
 - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
226. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The duty also applies to marriage and civil partnership, but only in relation to (a) above.
227. The Council is required to act in accordance with the equality duty and have due regard to the duty when carrying out its functions, which includes making decisions in the current context.
228. The report author refers to the fact that equalities have be considered as part of the budget setting process and that equalities impact assessments/analysis have been and will continue to be undertaken. Equality impact assessments/analysis is an essential tool to assist councils to comply with our equalities duties and to make decisions fairly.
229. The Human Resources section notes that some of the proposals require a reduction in posts and therefore present employment law implications. It is proposed that the focus is on redeployment and other strategies to mitigate redundancies. It is important that decisions are taken in accordance with the council's Reorganisation, Redeployment and Redundancy Procedure and other relevant human resources procedures so that we act in accordance with employment legislation.
230. One of the underlying principles is that equalities impact assessments/analysis is carried out at critical stages so that we have due regard to the equalities implications of the proposed staffing changes and comply with our equalities duties.
231. The Cabinet must consider the implications of the summaries of equalities impact in this report when making their decision in accordance with best practice and our approach to equality: delivering a fairer future for all.

Consultation on the budget proposals

232. In accordance with paragraph 2(a) of the Budget and Policy Framework Procedure Rules Cabinet consulted Overview and Scrutiny on the budget proposals on 9 January 2012.
233. Where the proposals involve reducing, reconfiguration or withdrawing of services to reduce the risk of legal challenge the Council has a legal duty to consult with

service users and other groups or interested parties who may be affected by the changes in service provision.

234. Whether the individual savings detailed in the report will be subject to further consultation prior to implementation will depend upon a number of factors, these include whether there is a statutory duty to consult, whether fair and effective consultation has already taken place and whether the Council's internal processes and procedures require further consultation.
235. The courts have provided guidance on what constitutes effective consultation and where consultation is undertaken the courts will want to ensure that this has been done fairly. The extent and method of consultation will depend upon the circumstances.
236. For effective consultation to take place there are four requirements:
- 1) consultation must be conducted when proposals are at a formulative stage.
 - 2) the decision maker must give sufficient reasons for its proposals to permit intelligent consideration and response
 - 3) adequate time must be given for consideration and response; and
 - 4) the product of consultation must be conscientiously taken into account before making the relevant decision.

Each of these elements must be considered separately, evidenced and documented

237. There is no legal definition of what constitutes 'adequate time' to consult; each case will need to be determined on its own facts. Government guidance and good practice recommends a 12 week consultation period. However if there is good reason to deviate from this, the courts are unlikely to conclude that the consultation period was inadequate. But the reasons for reducing the time for consultation must be clearly explained and reasonable.

Community restoration fund

238. Section 2(1) of the Local Government Act 2000 ('the 2000 Act') gives the Council a discretionary power to promote wellbeing where it considers this will achieve any one or more of the following three objectives
- 1) the promotion or improvement of the economic well-being of its area.
 - 2) the promotion or improvement of the social well-being of its area.
 - 3) the promotion or improvement of the environmental well-being of its area.
239. Section 2(2) of the 2000 Act states the power can be used in relation to, or for the benefit of, any one or more of the following categories:
- 1) the whole of the council's area.
 - 2) a part of the council's area.
 - 3) all persons resident or present in the council's area;
 - 4) an person resident in the councils area.

240. Section 2(4) of the 2000 Act lists some of the potential sorts of activities that the council can undertake under the well-being power namely:
- 1) incur expenditure.
 - 2) give financial assistance to any person.
 - 3) enter into arrangements or agreements with any person;
 - 4) co-operate with, or facilitate or co-ordinate the activities of any person.
 - 5) exercise on behalf of any person any functions of that person.
 - 6) provide staff , goods, services or accommodation to any person.
241. Pursuant to section 2(3) of the 2000 Act in exercising the well-being power, the council must have regard to its community strategy which it has a duty to prepare under section 4 of the same.
242. The establishment of the Community Restoration Fund falls within the scope of the kind of activities the council can undertake under the power of well-being. The fund will achieve the promotion of the economic, social and environmental well-being of the council's area. It is confirmed that the Southwark 2016 document (the council's sustainable community strategy) states that the promotion of the economic well-being of the Council's area is one of its express objectives.
243. In accordance with paragraph 2 of The Budget and Policy Framework Rules of the constitution, Cabinet are required to recommend the budget to Council Assembly for approval.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Local Government Settlement 2012/13	Department of Communities and Local Government	http://www.local.communities.gov.uk/finance/1213/grant.htm
Policy and Resources Strategy 2012/13 - 2014/15: Scene Setting Report	160 Tooley Street PO Box 63529 SE1P 5LX	Stephen Gaskell 020 7525 7293 http://moderngov.southwarksites.com/mgConvert2PDF.aspx?ID=22932
Policy and Resources 2012/13 to 2014/15 – provisional local government settlement	160 Tooley Street PO Box 63529 SE1P 5LX	Stephen Gaskell 020 7525 7293
Greater London Authority Precept proposals	GLA	http://www.london.gov.uk/sites/default/files/Mayor_consultationbudget201213.pdf
Schools Funding Announcement	Department for Education	http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/settlement2013pupilpremium/a00200465/dedicated-schools-grant-and-pupil-premium-arrangements-for-2012-13

APPENDICES

No.	Title
Appendix A	High level descriptions of budget proposals on commitments
Appendix B	High level descriptions of budget proposals on growth
Appendix C	High level descriptions of budget proposals on efficiencies and improved use of resources
Appendix D	High level descriptions of budget proposals on income, fees and charges
Appendix E	High level descriptions of budget proposals on savings impacting on service delivery
Appendix F	Overview and Scrutiny recommendations to Cabinet and initial officer comment

AUDIT TRAIL

Cabinet member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead officer	Duncan Whitfield, Finance Director	
Report author	Duncan Whitfield, Finance Director	
Version	Final	
Dated	16 January 2012	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Date final report sent to constitutional team		16 January 2012

Commitments

Appendix A

Department	Description of Commitments	2012/13 £'000
Children's Services		
Strategy, Commissioning, Business Improvement	The provision of free healthy school meals for primary aged pupils in schools in Southwark; phased implementation over academic years 2011-14.	1,414
Children's Social Care	Special Guardianship Orders (SGOs) are financially supported placement orders made by the courts which have increasingly replaced adoption as a permanent alternative to care for children. On average an additional 20-30 a year are being made in Southwark.	135
Total Children's Services		1,549
Health and Community Services		
Older People	Impact of a phased reduction in welfare meal charges to 50% of the 2010/11 charge, harmonising the charge for hot and frozen meals in the process. The first reduction was made in 2011/12 and the full reduction be completed by 2014/15.	42
All services	Increased budget to reflect NHS contribution for greater integration between Health and Social Care. Department of Health have confirmed that funding will continue for a minimum of further two years (2013/14 & 2014/15)	4,110
Total Health and Community Services		4,152
Environment and Leisure		
Public Realm - Parking & Road Network	Shortfall in the parking income arising from better compliance and lower traffic volumes due to economic downturn. The estimated pressure for 2012/13 may be as high as £1m, but the department will make efforts to contain any additional net costs of the service. Failure to contain net costs of the service would lead to calls on corporate contingency.	500
Public Realm - Parking & Road Network	Stead Street car park off the Walworth Road is closing in autumn 2012, for housing development. Currently Stead Street car park is a pay and display car park which generates income from the Pay and Display meters.	80
Public Realm - Asset Management	Increased costs payable to TfL for maintaining traffic signals mainly due to increase in number of systems being deployed in the borough and inflation increase of 4.6%.	46
CLLL - Culture	Additional unavoidable costs to E&L services during the 5 weeks of the Olympics (£30k required for 2011/12).	444
Total Environment and Leisure		1,070
Communities Law and Governance		
Community Engagement	To support the continuing activities of Community Action Southwark and their work to ensure effective working with the voluntary sector in Southwark.	50
Total Communities Law and Governance		50
Corporate Budgets		
Corporate	Impact of 2010/11 triennial pension fund review. In order to maintain a planned recovery of the pension fund deficit in line with the funding strategy, there will need to be increases in employers' contributions of circa 3% over the three year period to 2013/14. These increases were included in the three year indicative budget presented to Council Assembly in February 2011.	1,000
Corporate	Setting up of a community restoration fund subject to criteria to be agreed as part of the budget setting process. Criteria for the scheme will be presented as part of the budget report to Council Assembly in February 2012.	1,000
Corporate	Creation of Cleaner Greener Safer Revenue Fund, to be co-ordinated through each community council (£10,000 per annum for each ward). The scheme will be administered by officers within the Communities, Law and Governance department who will create operating arrangements to include interfaces with those departments delivering outcomes. Any administration costs in 2012/13 will be assessed and if appropriate contingency provision released to ensure the effective management of the scheme. Any such release is not expected to exceed more than 20% of the total cost of the scheme.	210
Corporate	A voluntary sector relief fund of £1m was set up in 2011/12 to support partners wishing to innovate their service delivery. This fund was scheduled to reduce to £500k in 2012/13 and to end in 2013/14. Any resources not needed in year will be earmarked and carried forward to support the scheme in the following year.	(500)
Corporate	Reduction of London Councils grant scheme, resources to be redistributed to support other Council funding schemes.	(400)

Commitments**Appendix A**

Department	Description of Commitments	2012/13 £'000
Corporate	Additional resources to support low paid staff arising from commitment made by council assembly in setting three year budget in February 2011 (£375k), a new commitment to support agency worker directive requiring parity pay rates with council staff and the requirement for external contractors to pay london living wage in contracts to be let or relet by the council in the future (£1m). The commitment to london living wage in contracts will require annual increases in budget provision over the period to 2015/16. The total cost of the initiative will be subject to contract as contracts are renewed over a four to five year period. Notionally, a further £1m will need to be set aside each year until 2015/16 and released to those departments letting contracts as necessary. Releases will be subject to contract, taking all other factors into account. For 2012/13, up to £890k is being set aside specifically for costs of agency staff arising from the European Directive.	1,375
Corporate	Increase in charge from London Councils for concessionary fares based on current information, usage and fare increases.	792
Total Corporate Budgets		3,477
Total Commitments		10,298

Growth**Appendix B**

Department	Description of Commitments	2012/13 £'000
Children's Services Specialist Services	Local authorities are newly required by law to ensure that rates paid to "Family and Friends" carers are comparable to those paid to local authority approved carers.	250
Total Children's Services		250
Health and Community Services Older People	During 2012/13 there will be a need to review care home fee rates paid which is expected to result in some increases.	333
Total Health and Community Services		333
Environment and Leisure CLLL - Culture	Kingswood House feasibility study. Total project cost £50k with £5k contribution from Property Section. This is one off for 2012/13 only.	45
Total Environment and Leisure		45
Communities Law and Governance Legal Services	To deal with the increased volume and pressures of the FOI and DPA regimes, providing stronger central support to departments	62
Total Communities Law and Governance		62
Total Growth		690

Department	Description of Savings	2012/13 £'000
Children's Services		
Education - Early Prevention and Intervention	Consolidate the daycare offer for children in need taking a more targeted approach to work with the most vulnerable children and families and commissioning high quality provision to meet identified needs.	(300)
Education - Youth Services	Continuing the restructure of youth services and grant funding to voluntary organisations ensuring posts are focussed on delivering front line services and improving opportunities for young people.	(250)
Education - After School and Play	Phase Two of the transfer the operation of the after school service to schools and discontinuation of the subsidy.	(582)
Education - Pupil Access	Reduced costs and improved efficiency through better procurement arrangement arising from the new transport policy.	(300)
Strategy, Commissioning, Business Improvement	Improve efficiency of back office processes particularly by streamlining IT systems and business processes.	(75)
Strategy, Commissioning, Business Improvement	Continue to reduce supplies and services costs including printing, stationery, venue, mobiles, staff transport and professional services.	(20)
Children's Social Care	Reduce spend by effective procurement and strategies for placements and care packages.	(600)
Children's Social Care	More efficient use of Orient Street (providing respite) by increasing occupancy and reducing unit costs.	(200)
Education - Early Prevention and Intervention	Reducing back office and central management costs of Children's Centres.	(125)
Total Children's Services		(2,452)
Health and Community Services		
All Client Groups	Reduce Supporting People budgets by a total of 50% over 3 years, through a combination of efficiency and services reductions. This will generally reduce lower support services with investment focussed on those with the highest levels of need and disabilities. However, all service areas will be affected in some way	(1,250)
All Client Groups	Reducing unit costs of care for all service users through better spot purchasing and procurement arrangements which will be administered through a central brokerage team	(350)
Mental Health	Service redesign of arrangements with South London & Maudsley Trust (SLaM), reviewing the adult social care role within mental health services in partnership with other Boroughs and considering options as to how this should be managed.	(500)
Mental Health	Reduction to No Recourse to Public Funds expenditure (NRPF)	(180)
Physical Disabilities	Develop new Southwark Resource Centre to provide e.g. job, skills and training for disabled groups, access to IT etc.	(200)
Learning Disabilities	Realign staff from children's and adults teams into a single structure to provide assessment and care management for 14 to 25 year olds. Budget and support allocated by children's services (14 -16 years) will be tapered to meet the indicative budget available from adult services at 18 years.	(150)
Older People, Physical Disabilities and Learning Disabilities	Phased transfer over three years from high dependency on residential care into more support to enable clients to continue to live at home and therefore encourage greater independence.	(660)
All Client Groups	Reduction in management costs	(200)
All Client Groups	Integrated care systems with health partners. Ensuring prompt discharge from hospital and making maximum use of reablement services	(2,254)
Total Health and Community Services		(5,744)

Department	Description of Savings	2012/13 £'000
Environment and Leisure		
Sustainable Services	Restructure Divisional Management and Support including revising terms and conditions	(230)
Sustainable Services	Recalculation of waste PFI cost profiling. £1.8m reduction arising from contract efficiencies.	(1,775)
Sustainable Services	Efficiency savings from the refuse collection service contract arising from roll out of weekly food waste collections where feasible and staged introduction of fortnightly collection of dry recyclables.	(140)
Sustainable Services	Utilising spare capacity from the waste and recycling centre at the Old Kent Road Site	(150)
Sustainable Services	Further savings negotiated with Veolia (Bulky waste changes)	(55)
Sustainable Services	Further savings negotiated with Veolia (Container delivery changes)	(88)
Community Safety	Reorganisation of Community Safety and Enforcement division by further reducing management posts	(60)
Community Safety	Restructure the principal enforcement officer functions to focus our resources in the areas, at the times, on the businesses and the communities that need them most. We will also be focusing resources from across our regulatory services in those areas so that we can deal with a range of issues through tougher enforcement.	(52)
CLLL	Restructure divisional support services	(97)
CLLL	Contract savings delivered by the new Leisure Management Agreement	(200)
Business Support	Review admin overheads	(8)
Total Environment and Leisure		(2,855)
Housing Services		
Housing Strategy and Options - Housing Options Services	Restructure of Housing Options team.	(38)
Housing Strategy and Options - Business Support Services	Rationalise business support services through restructuring of service.	(7)
Total Housing Services		(45)
Deputy Chief Executive		
Director and Business Support	On-going review of service to deliver efficiencies including departmental restructure, modernisation programme and shared services across functions	(19)
Planning & Transport - Development Management	Savings from review of the technical support area.	(65)
Economic Development & Strategic Partnership	Reduction in administrative costs	(13)
Major Projects	Savings to be achieved from review and rationalisation of project team budgets and strategic management costs across the regeneration function	(117)
Human Resources	Reduction in transactional staff through extension of self-service/efficient process. Reduction in direct staffing support. These reductions are the second and third stages of the HR shared services review which was first implemented in April 2009 as a result of the move to Tooley Street. The shared services review will lead to the consolidation of HR services from across the council and improved processes, including the use of IT, to improve efficiency.	(210)
Corporate Strategy	Review of structure, staffing levels and support costs across the division. This would include significantly reducing the training budget, reviewing subscriptions to external policy services and minimising all stationery, software and printing requirements.	(80)
Communications	Shared service with Westminster	(50)

Department	Description of Savings	2012/13 £'000
Organisational Development	Building on 25% savings in 2011/12 (year 1) further efficiencies in service delivery by the development of "mylearningsource" web based learning management system are now projected, which has developed into a learning tool for the wider Southwark community (the council and its social partners) and as by-product enabled greater economic purchasing and development of interventions requiring reduced professional and back office resources.	(58)
Total Deputy Chief Executive		(612)
Communities Law and Governance		
Electoral Services	Adjustment to the canvass process by increasing the use of data matching and subsequently reducing door to door canvassing.	(30)
Scrutiny	Review structure of scrutiny committees to reduce administrative and other costs while retaining essential nature of function in overseeing council activities.	(65)
Community Councils	Savings from community councils delivered as part of the Democracy Commission process. The review concluded in December 2011 and recommended reducing the number of community councils to 5, reducing the number of meetings to 5 per year, establishing 2 planning sub-committees for minor applications, removing school governor appointments and making changes to marketing publicity and engagement at meetings. Some of the changes will require alterations to the constitution, which will be referred to the constitutional steering panel to recommend to council assembly in due course. These changes will deliver the required saving of £344k on the cost of operating community councils.	(344)
Legal Services	Fundamental review of team structures within Legal Services to further promote and make use of modern ways of working and remain consistent with best professional practices.	(400)
Total Communities Law and Governance		(839)
Finance and Resources		
Information and Data Services	Reductions in IDSD related costs arising from streamlined contractual arrangements and from restructuring of the core element of the IDS Division. Further review of contractual arrangements will coincide with the end of the council's contract with Serco in July 2012 and the review of the management of the council's major IT applications that will follow on from the current review.	(525)
Corporate Facilities Management	Review of existing contracts and service levels and review and restructuring of CFM function, including new contract arrangements to support Tooley Street management. Reductions in levels of building repair and maintenance in response to future office and administrative buildings and asset management strategies.	(555)
Deputy Finance Director	Further review of the finance function (commenced 2011/12). This follows the initial review that brought together all professional finance functions under single management as part of a shared service. Reductions in finance support service costs also reflect closely the reduced services, activities and net costs of those front services costs being supported.	(395)
AFD Financial Services	Reduce the number of posts and reduce running costs in the Finance Transactional Shared Service (FTSS) due to more efficient ways of working. A review of the overall audit, anti-fraud and risk service to focus priorities, including internal audit planned days, structure, staffing and contracted days, and a reduction in running costs.	(500)
Revenues and Benefits	Reduction in the use of the capacity contract following successful recruitment will lead to a £557k saving in 2012/13 plus negotiated ICT saving with the Northgate contract of £70k in 2012/13	(627)
Management and CIPFA trainees	Reduction in the number of professional accounting trainee posts, achieved in part through consolidation of trainee activities within existing establishment.	(75)
Total Finance and Resources		(2,677)
Corporate		
Corporate	Review of departmental and corporate management structures by Deputy Chief Executive	(500)
Client Services	Savings already built into Vangent Contract and the renegotiation of the contract to include more services without additional cost.	(1,500)
Total Corporate		(2,000)
Total efficiencies and improved use of resources		(17,224)

Income Fees and ChargesAppendix D

Department	Description of Savings	2012/13 £'000
Health and Community Services		
All Client Groups	Updating charging policies in line with London averages and current government policy and guidance	(260)
Total Health and Community Services		(260.0)
Environment and Leisure		
Public Realm	Increase Cemetery and Crematorium fees and charges to Inner London Average.	(75)
Public Realm	Reorganisation of road network management team to include new London wide permitting scheme and other highway licensing functions	(150)
Public Realm	Income from raising parking fees to average for similar facilities	(150)
Public Realm	Increase South Dock Marina fees and charges based on appropriate average	(50)
Sustainable Services	Croydon Pest Control income	(54)
Sustainable Services	Cessation of external contract use by the Council for Pest Control services	(30)
Sustainable Services	Increase non-commercial waste container hire and collection charges to inner London average	(106)
CLLL	Rental income received from Bacon's College for Mellish Fields Sports Grounds (new contract)	(20)
Total Environment and Leisure		(635)
Deputy Chief Executive		
Property Services - Managed Commercial Property Holding Account and Industrial Properties	Increased income due to rent reviews and lease renewals	(50)
Major Projects	Additional advertising income arising from the Elephant & Castle project. This extra income is factored in as a one off addition, with a further review being undertaken in 2013/14	(100)
Planning & Transport -Development Management	Restructuring of pre-application and other fees to encourage greater take-up for smaller applications and a higher charge for a more detailed service for larger applications	(25)
Total Deputy Chief Executive		(175)
Total Income Generation		(1,070)

Department	Description of Savings	2012/13 £'000
Children's Services		
Strategy, Commissioning, Business Improvement	Review of management structures, business support and staffing across Education and Strategy and Commissioning Teams.	(653)
Education - Early Prevention and Intervention	Reduce community nursery subsidies.	(75)
Education - Early Prevention and Intervention	Maximise usage of the Playrooms/One O'Clock Clubs by transferring management responsibility to Children's Centres for these running services.	(110)
Education - Early Prevention and Intervention	Use Early Intervention Grant to support core services.	(384)
Education - Standards 0-19	Restructure the School Improvement Team to deliver the Local Authority statutory responsibilities.	(250)
Education - After school and play	Reduction in funding for non statutory play services: maintaining a core offer at all adventure play facilities.	(250)
Education - Specialist Education Services	Remove financial subsidies to the non-statutory supplementary schools programme.	(200)
Children's Social Care / Strategy, Commissioning, Business Improvement	Improved targeting of commissioning of voluntary sector providers and reduced requirement for contract management.	(75)
Children's Social Care	In line with Munro Review, reduce bureaucracy and develop early help services to reduce demand for social care.	(800)
Education - Early Prevention and Intervention	Redesign Integrated Child Support Service to provide more targeted early help in line with the Munro review and changes in specialist children's services.	(225)
Education - Specialist Education Services	Transfer of the universal Careers Service to schools as set out in the recent Education Act.	(700)
Total Children's Services		(3,722)
Health and Community Services		
All services	Reshape remaining open access services not affected by 2011/12 savings. These are voluntary sector services that provide practical and social support, which will be encouraged to operate in ways that build future sustainability and enable members of the community to contribute their time and skills.	(300)
All Client Groups	Reduce Supporting People budgets for housing related support by a total of 50% over 3 years, through a combination of efficiency and services reductions. Investment of remaining budgets will be focused on the most vulnerable groups in line with identified need. In 2012/13 funding will be withdrawn from the following services: - Lower support community based services for offenders £250k - Lower support community based services for former homeless groups, across all client types £260k - Lower support community based services for people with substance misuse problems £60k - A reduction in hostel capacity by decommissioning two hostels for homeless people £1,180k	(1,750)
Mental Health	Reduction in Drugs & Alcohol services	(60)
Mental Health	Redesign of Mental Health Day Services - this is an additional saving to the £200k reported for 2011/12	(200)
Older People	Merge management and redesign two council run day centres for Older People	(100)
Learning Disabilities	Redesign and where appropriate decommission day centre provision to develop clients' independent living skills and to facilitate their access to local services.	(1,000)
All Client Groups	Review and redesign functions to deliver new customer approach for personalised services. Adult Social Care service delivery will be reconfigured to align with the personalisation agenda and new customer journey, including a single point of contact. The redesign will drive value through the department through redefinition of operating models, structures and roles and responsibilities. This is expected to result in a reduction of approximately 15% in the number of posts across assessment and care management and commissioning.	(881)
Total Health and Community Services		(4,291)

Department	Description of Savings	2012/13 £'000
Environment and Leisure		
Public Realm	Savings from revision of reactive street maintenance. This proposal will involve reducing what is spent on road repairs, lighting and street furniture. Safety issues will continue to be prioritised and addressed but planned maintenance programmes will be reduced. Resources will be focused on urgent repairs to be done.	(200)
Public Realm	Savings resulting from rationalisation of school crossing patrol service at crossings which are already signal controlled.	(50)
Sustainable Services	Reduction in accommodation costs following move from Manor Place Depot	(60)
Sustainable Services	Savings from the rescheduling and reprioritising of the mechanical sweeping service	(100)
Community Safety	Savings resulting from the re-organisation of the community safety service	(45)
Community Safety	Reorganise Southwark Anti Social Behaviour Unit (SASBU) team to solely manage high risk cases of anti social behaviour	(90)
Community Safety	Phase 2 of reorganisation of the Community Wardens Service to focus on three key town centre locations and supported by a response team service linked directly to the retained environmental enforcement team. The 3 town centre teams will be based in Elephant and Castle, Camberwell and Peckham Town Centres. The reactive response team will be targeted to the areas, times and issues that concern our community the most. The additional accredited powers given to wardens means that the service will be able to deal with a wider range of anti social behaviour issues. Close working relationships with the Police and shared tasking arrangements means that we will use a variety of interventions to tackle anti-social behaviour.	(531)
CLLL	Reduce the funding to the South London Gallery	(10)
CLLL	Savings derived from the re-configuration of support staff within the culture service	(40)
CLLL	Consultants services budget for Playing Fields not required any longer	(28)
CLLL	Review of Library services. The future size and shape of the service was considered through a complete review and consultation that took place in 2011/12. No library buildings will close as a result of the review..	(274)
CLLL	Further divisional efficiencies	(42)
Total Environment and Leisure		(1,470)
Housing Services		
Housing Strategy and Options - TA model	Reduction in placements in temporary accommodation. Reduce overall costs of placements by reducing dependency on expensive bed and breakfast accommodation through the use of other social housing, private sector provision and bringing council void properties back into use.	(38)
Housing Strategy and Options - Strategy & Regeneration	Restructure and rationalisation of Housing Renewal Team.	(110)
Housing Strategy and Options - Temporary Accommodation	Reduction in funds used to provide emergency furniture for resettlement clients, through better procurement and reduced specifications.	(14)
Housing Strategy and Options - Temporary Accommodation	Restructure of supported hostels service.	(11)
Housing Strategy and Options - Temporary Accommodation	Rationalise service provision including reduced information support and placement support and procurement posts.	(14)
Housing Strategy and Options - SMART Service - Older Persons Service	Restructure monitoring and support function.	(28)
Housing Strategy and Options - Policy & Performance and procurement	Rationalise back office support e.g. communications.	(24)
Total Housing Services		(239)

Savings impacting on service delivery**Appendix E**

Department	Description of Savings	2012/13 £'000
Deputy Chief Executive		
Property Services	Savings achieved through reprioritisation of repairs and maintenance on commercial estate and rationalisation of GIS support services	(15)
Planning & Transport - Development Management	Following a review of procedures, to deliver a more effective public consultation process for planning applications. This will include using modern technology and smarter ways of working.	(35)
Planning & Transport - Development Management	Savings from review and restructure of the Development Management unit	(90)
Economic Development & Strategic Partnership	Reducing commissioning budget and re-targeting cash to schemes with the highest level of need and that represent greater value for money.	(130)
Total Deputy Chief Executive		(270)
Communities Law and Governance		
Community Engagement	Review of voluntary sector grants programme in the context of reductions in government funding, including the consequential loss of a commissioning post.	(245)
Total Communities Law and Governance		(245)
Total savings impacting on service delivery		(10,237)

Appendix F**Overview and Scrutiny recommendations on the budget**

OSC recommendation	Officer Comment as at 16/01/2012
1. That the cabinet review the report and the descriptions of commitments in the appendices to ensure the use of simple and understandable language	Appendices have been reviewed for this report
2. That the cabinet consider and respond to the recommendations below prior to any decision being taken by council assembly	Comments on the recommendations are shown below
3. That the report to cabinet include detailed proposals on the setting up of the Community Restoration Fund, including criteria and process for assessment and award	Details of the Community Restoration Fund will be presented to Council Assembly in February.
4. That the cabinet review the £444k for additional unavoidable costs during the five weeks of the Olympic games and whether or not to take up the funding available from the government	This will be kept under review
5. That the cabinet seek assurance that the NHS will be matching the council's funding towards reablement	In 2011/12 the Council received £0.9m from the NHS to fund reablement services. In 2012/13 this increases to £1.8m. The conditions of this grant do not require the Council to provide match funding.
6. That the cabinet provide more detail on the Voluntary Sector Transition Fund in terms of awards to date, spend by individual organisations and evaluation processes	Further details are shown below.
7. That the cabinet clarify the formula by which changes in the fees at the South Dock Marina are to be increased	Mooring fees are proposed to increase by 2.34%. The Inner London average is not appropriate and instead the average has been derived from benchmarking exercise undertaken by an independent industry expert on comparable marinas.

OSC recommendation	Officer Comment as at 16/01/2012
8. That the cabinet reconsider the balance between reactive street repairs and planned maintenance with a view to achieving the most sustainable position for the funding available	This will be kept under review
9. That the cabinet clarify the proposed reorganisation of the Southwark Anti Social Behaviour Unit and how the cut of £90k will be achieved	The Southwark Anti Social Behaviour Unit (SASBU) team will solely manage high risk cases of anti social behaviour
10. That the cabinet to set out the implementation plan for the London Living Wage and in particular how it will effect contracts in the upcoming procurement	<p>With regard to future procurement processes, each bidder will be expected to base the staff cost element of their bid prices on the London Living Wage.</p> <p>The total cost of the initiative will be subject to contract as contracts are renewed over a four to five year period. Notionally, a further £1m will need to be set aside each year until 2015/16 and released to those departments letting contracts as necessary. Releases will be subject to contract, taking all other factors into account.</p>
11. That the cabinet clarify how projects agreed within the cleaner greener safer revenue budget will be supported by officers and how this support will be funded	<p>Administration of the scheme itself and the decision making process through Community Councils. The annual awards process and any monitoring that is required will be supported by officers in Communities, Law & Governance. There will be no reduction in the £210,000 available to cover these administrative costs.</p> <p>Ongoing management of the schemes awarded funding. Because the new scheme is a revenue scheme not a capital scheme the costs will all be included in the awards made.</p>
12. That the cabinet clarify the reduction of £14k in funds used to provide emergency furniture for resettlement clients	Savings will be achieved through better procurement and changes in the specification of items purchased

Voluntary Sector Transition Fund

Awards to date

In the first three rounds of the Transition Fund 43 awards have been made to 53 organisations. The total awarded to date is £742,584. A list of the awards made is attached below. The first payments of transition fund awards were made in April 2011.

Evaluation process

The Transition Fund is at an early stage with the first payments made towards end of April 2011. As the Transition Fund is about longer term sustainability it will be some time before full evaluation of its success can be completed.

There are a number of elements to the ongoing evaluation of the programme and of awards made.

Consultation was undertaken with Community Action Southwark and across council departments prior to the implementation of the transition fund and this informed the criteria agreed by cabinet and Council Assembly.

The initial assessment process, involved the Transition Fund officers applying a robust process of scoring against the criteria. This consisted of 3 stages designed to inform the final recommendations of the Advisory Panel which consisted of council officers from relevant council departments together with CAS as the designated voluntary sector partner.

Decisions not to progress groups through to the final stage recommendations were based on the following:

- Any organisation scoring a zero against one or more of the criteria
- Organisations requesting sums which exceeded the current overall level of council funding awarded to the organisation
- Organisations whose funding is not likely to reduce in the main or where reductions will have a lower impact on both users and the organisation
- Those organisations where council's decision-making process has yet to be formally signed off and therefore cannot provide evidence or give reason to believe that there will be a reduction in funding

The advisory panel were provided with information on all applications. None were excluded and a robust process of challenge of the scoring process was carried out at every stage. Community Action Southwark was involved in the process from the outset.

The advisory panel assessment was followed by recommendations to the decision maker (Cabinet Member for Equalities & Community Engagement). Applicants were informed of the recommendations and advised of their ability to make representations to the decision maker before the final decision was taken. A number of organisations chose to exercise this right.

The ongoing monitoring arrangements

During the initial application process applicants were asked to specify outcomes relating to the transition fund criteria which form a key part of the monitoring arrangements.

Because organisations in receipt of transition fund cross the council's departmental commissioning programmes a monitoring officer was agreed for each organisation from the appropriate department.

Key to the monitoring process is that it must be proportionate and not impose unnecessary burdens on the sector given the current financial climate while at the same time ensuring that the expenditure represents value for money and is effective in meeting the aims of the Transition Fund.

With the exception of service agreements and contracts, all revenue support to voluntary organisations is governed by the council's standard Conditions Of Grant Aid (COGA). A set of requirements, which all council funded groups are required to sign acceptance of and to adhere to. All such financial support is therefore governed by a set of monitoring guidelines that all commissioning officers are familiar with.

During the initial application process applicants were asked to specify specific outcomes relating to the transition fund criteria which form a key part of the ongoing monitoring arrangements.

Assessment of who has and has not applied to feed into targeting and promotion of the programme and the support being provided to organisations in submitting bids.

Officers are now reviewing which organisations that were affected by cuts in the councils funding have not applied for the Transition Fund. This analysis is not complete but will inform future rounds.

Equalities Analysis

Prior to each round of assessment of applications, an Equality Impact Assessment (EQIA) has been carried out analysing applications and awards made in previous rounds. The analysis considers applications and awards in relation to:

- Equality Act protected characteristics
- Departmental funding streams

The purpose of the EQIA is to assess whether there are differential equality impacts affecting different communities. The information obtained highlights instances where it appears that there have been a lower number of awards relative to the number of applications received for specific departmental funding streams. There are a number of different explanations for this. These include lower funding reductions compared to other funding streams (Supplementary Schools), reductions not taking affect until a later date (Community Support Programme, Supplementary Schools) and overlap with other transition funding (Health and Social Care Innovation Fund). The council also launched the innovation fund in October 2011 which awarded £200,000 to 11 groups. These are predominantly Health & Social Care Open Access Day Care providers, a number of whom have also applied to the Transition fund.

The EQIA findings from Rounds 1 and 2 have been taken into account by the assessment panel for Round 3 and used to inform the decision making process. The analysis shows that many of the organisations applying to the Transition Fund serve all sections of the community as well as individuals who come within one or more of the Equality Act protected characteristics. For a number of organisations no specific distinction is made. There are also organisations that target services at particular community groups. The EQIA has captured this information and where this applies analysis has shown that the protected characteristics most represented in both applications and awards relate to age, race, disability and religion/belief. Further EQIA analysis will be carried out at each stage of the Transition Fund so that

the cumulative impacts are considered. A breakdown of the applications received in Round 3 will also be incorporated into the EQIA in order to inform Round 4

Higher level discussions with the sector through the council/vcs liaison group and regular reviews of criteria with experience of previous rounds of scheme.

The Transition Fund has been a standing item on the agenda for discussion at the regular quarterly council/vcs liaison meetings and this is providing feedback from the sector on the implementation of the Scheme. Officers have also the criteria for the fund in the light of the following factors:

- the experience of running earlier rounds
- any representations made in the first two rounds
- the availability of and criteria for national funding

This led to an amendment to the criteria in Round 3 to respond to changes in the national picture and the severe pressures that the sector is under,. It was therefore proposed and agreed by IDM to add flexibility into the Southwark criteria in relation to national funding to give the discretion to allow awards to organisations where national funding has been awarded on condition that there was no direct duplication and the award of Southwark funding did not jeopardise any national funding.

Organisation Name	total	No. of organisations
Art in the Park	2,500	1
Black Business Initiative	10,000	1
Blue Elephant Theatre	19,800	1
Camberwell After School Project	10,000	1
Camberwell Arts	6,500	1
Cambridge House	15,000	1
Carl Campbell Dance	7,000	1
Carnaval del Pueblo	25,000	1
Contact A Family	25,000	1
Coral Dance Company	2,500	1
COVO Connecting Voices	21,000	1
Downside Fisher Youth Club	10,000	1
Dulwich Helpline	6,500	1
Eclectic Productions UK Ltd	16,800	1
Elephant Jobs	25,000	1
Faces in Focus	16,778	1
Family Action Southwark	25,000	1
Golden Oldies Community Care Project	10,000	1
Homestart Southwark	25,000	1
Kaleidoscope	10,000	1
London Bubble Theatre	15,000	1
Pecan	25,000	1
Peckham Settlement	3,000	1
PVSF	15,500	1

Organisation Name	total	No. of organisations
Red Kite Learning	25,000	1
Southwark Arts Forum	12,000	1
South Asian Elderly Organisation (joint award with Southwark Vietnamese-Chinese Community)	25,000	1
Southwark Consortium of Supplementary Schools. (note 1)	40,000	9
Southwark Cypriot Day Centre	8,900	1
Southwark Irish Culture & Arts Dev Centre	5,000	1
Southwark Legal Advice Network (note 2)	40,000	4
Southwark Mediation Centre	17,140	1
Southwark Playhouse Theatre	25,000	1
Southwark Refugee Communities Forum	25,000	1
Southwark Theatres Education Partnership	15,000	1
Southwark Vietnamese-Chinese Community	0	1
Southwark Young Carers	25,000	1
The Place2 Be	18,102	1
Theatre Peckham	15,000	1
Time and Talents	23,826	1
Toucan Employment	24,738	1
Volunteer Centre Southwark	25,000	1
Walworth Garden Farm	25,000	1
Total organisations		54
Total funding awarded		742,584

Note 1: Consortia of nine Out of School study support providers Southwark Consortia of Supp Schools. Ardhmeria. Aylesbury Academic Grassroots. Eritrean Community Centre. Latimer Educational Services. Lighthouse Supplementary School. St Michael Associates. Sierra Leone Refugee Welfare Association. Southwark Turkish Education Group. Youth Learning Network, Ltd; classes at The Goose Green Centre, St John's The Evangelist.

Note 2: Consortium of four organisations - Afro-Asian Advisory, Southwark Refugee Project, Southwark Citizens Advice Bureau & Southwark Law Centre.

Item No. 8.	Classification: Open	Date: 24 January 2012	Meeting Name: Cabinet
Report title:		Policy & Resources 2012/13 to 2014/15 – Provisional Local Government Settlement	
Ward(s) or group(s) affected:		All	
From:		Overview and Scrutiny Committee	

RECOMMENDATIONS

1. That the cabinet review the report and ensure that the descriptions of budget changes in the appendices use simple and understandable language throughout.
2. That the cabinet consider and respond to the recommendations below prior to any decision being taken by council assembly.
3. That the report to cabinet includes detailed proposals on the setting up of the Community Restoration Fund, including criteria and process for assessment and award.
4. That the cabinet review the proposed £444,000 growth for additional costs during the five weeks of the Olympic games to assess whether this can be reduced and revisit the question of whether any of these costs can be recouped from government funding sources.
5. That the cabinet seek assurance that the NHS will be matching the council's additional funding towards reablement.
6. That the cabinet provide more detail on the Voluntary Sector Transition Fund in terms of awards to date, spend by individual organisations and evaluation processes.
7. That the cabinet clarify the formula by which changes in the fees at the South Dock Marina are to be increased.
8. That the cabinet explain the likely impact of the proposed change in the balance between reactive street repairs and planned maintenance with a view to achieving the most sustainable position for the funding available.
9. That the cabinet clarify the proposed reorganisation of the Southwark Anti Social Behaviour Unit and how the cut of £90,000 will be achieved.
10. That the cabinet set out clearly an implementation plan for the London Living Wage and in particular how it will affect contracts which are being re-procured in the coming years.
11. That the cabinet clarify how projects agreed within the cleaner greener safer revenue budget will be supported by officers and how this officer support will be funded.

12. That the cabinet clarify the reduction of £14,000 in funds used to provide emergency furniture for resettlement clients.

BACKGROUND INFORMATION

13. At its meeting on 9 January 2012 the overview and scrutiny committee interviewed the following cabinet members in respect of the budget proposals contained in the report, Policy & Resources 2012/13 to 2014/15 – Provisional Local Government Settlement:

- Councillor Richard Livingstone, Finance, Resources & Community Safety
- Councillor Fiona Colley, Regeneration & Corporate Strategy
- Councillor Veronica Ward, Culture, Leisure, Sport & the Olympics
- Councillor Barrie Hargrove, Transport, Environment & Recycling
- Councillor Catherine McDonald, Children's Services
- Councillor Dora Dixon-Fyle, Health & Adult Social care
- Councillor Ian Wingfield, Deputy Leader and Housing Management
- Councillor Abdul Mohamed, Equalities & Community Engagement

14. The recommendations of the committee are set out above.

BACKGROUND DOCUMENTS

Background Papers	Held at	Contact
Report to Cabinet 13 December 2011	160 Tooley Street London SE1 2QH	Everton Roberts Constitutional Team 020 7525 7221

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview & Scrutiny	
Report Author	Peter Roberts, Scrutiny Project Manager	
Version	Final	
Dated	12 January 2012	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	N/a	N/a
Finance Director	N/a	N/a
Chief Officers	N/a	N/a
Cabinet Member	N/a	N/a
Date final report sent to Constitutional Team		12 January 2012

Item No. 9.	Classification Open	Date: 24 January 2012	Meeting Name: Cabinet
Report title:		Housing Revenue Account – Final Rent-Setting and Budget Report 2012/13	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

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

In December I introduced an Indicative HRA budget and rent-setting report to Cabinet and noted that I had appealed to the Minister for Housing for help in offsetting the steep rent increase demanded as a by-product of high inflation rates earlier this year. The Minister has replied, and I have instructed officers to include his reply within this updated HRA budget report. There are warm words regarding the difficulties that both tenants as individuals and we as their landlord face, but nothing in the way of positive action. This is a matter of regret, and is markedly different from the position adopted by the last government on a number of occasions.

As an organisation, Southwark has always supported the principles behind the freedoms that self-financing brings, but officers have made a number of technical observations regarding the assumptions behind the figures within the draft settlement, and the council's response is also attached to this report. The stakes are high, and the importance of commencing self-financing from a position that does not impede our ability to deliver services to all our residents cannot be overstated.

I noted last time that the rent rise for April 2012 was significant, but I can now add that it appears to be within the broad spectrum of increases, both nationally and within London. This does not excuse the need to continue to pressure government on tenants' behalf, but hopefully places the increase in context. Southwark has been able to react to this locally by freezing other charges more directly under our control for next year, and I will ensure that the HRA budget will continue to be challenged and held to the same levels of scrutiny as the rest of the council's services.

RECOMMENDATIONS

Cabinet is recommended to:

1. Approve an average rent increase of 7.96% in accordance with the government's required formula rent guidance to be applied to all HRA dwellings as set out in paragraph 12. This is equivalent to an increase of £6.78 per week on average for tenanted properties, with effect from 2 April 2012. Average budgeted dwelling rent for 2012/13 will be £91.94 per week. This percentage increase is also to be applied to estate void and hostel properties from 2 April 2012.

2. Instruct officers to carry out further evaluation regarding implementing a policy of setting rents for new-build and new-let tenancies at formula rent levels (paragraph 13).
3. Set tenant service charges at the same level as 2011/12 as set out in paragraph 15 with effect from 2 April 2012.
4. Set the standard charge for non-residential property at the same level as 2011/12, but with revisions to the concessionary rates applicable and the introduction of a new rate for private sector garage renters as set out in paragraphs 16 to 27 with effect from 2 April 2012.
5. Approve a further standstill in heating and hot water charges for 2012/13 such that each charge remains at the rate determined for 2009/10, 2010/11 and 2011/12 (as set out in paragraph 28).

BACKGROUND INFORMATION

Context

6. Cabinet on 13 December 2011 considered the Indicative HRA Rent-Setting and Budget position for 2012/13. This report contained all of the background information necessary to consider the reasons behind the proposed changes to rents and other charges, and set out the effect of detailed information issued by central government in November 2011 regarding the new self-financing regime and its effect on Southwark's HRA. It is not proposed to repeat this detail here, but where further and updated information has been received that is germane to this process it is outlined below. Officers will provide a formal report of any resolutions from Tenant Council, Home Owner Council and area housing forums at the Cabinet meeting.
7. The purpose of this report is to seek formal approval of the recommendations in respect of rents and other charges outlined at paragraphs 1 to 5 above.

Statutory framework

8. 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 (until March 2012), leaseholder service charges and other income. The HRA forms a specific part of the council's accounts, and a report regarding the general fund budget is being considered separately.

9. Local authority social housing will be supported by central government in a new way from 1 April 2012, as the housing subsidy system is replaced by one based on debt levels set centrally to enable self-financing. Appendix A lists the various determinations from government that have been subject to consultation in order to facilitate this change. In the past the council normally made representations as appropriate during the consultation period for the Subsidy determinations. As it is particularly important for the position at the commencement of self-financing to be as robust as possible in terms of Southwark's ability to deliver services within the new financial framework, officers made a detailed submission to CLG in response to the request summarised at Appendix A, which is attached for information as Appendix B.
10. 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 the Indicative Report (13 December 2011) formed the basis of early consultation with Tenant Council, area housing forums and Home Owner Council. This process commenced before Christmas 2011, and continued throughout January 2012.
11. The council is obliged by statute to agree a balanced HRA budget, whereby income and expenditure levels for the forthcoming year match. Appendix C summarises the key budget movements between 2011/12 and 2012/13. A key assumption is that unavoidable expenditure and other commitments, together with additional income generated by means of the rent and charges proposals elsewhere in this report will have to be supplemented by efficiency savings to the tune of £6.4m in order to balance, which are set out in Appendix D. This schedule was prepared with reference to the major consultation exercise on budgets over a three-year planning horizon that the council undertook last winter.

KEY ISSUES FOR CONSIDERATION

Annual rent guideline and formula rent

12. The Indicative Report (13 December 2011) set out existing arrangements for national rent-setting under the Government's rent restructuring policy, and the rent increase likely to result under the terms of the draft HRA determination. This determination will be finalised during January 2012.

Average Rent Inflation	2011/12 Final	2012/13 Draft	2012/13 Final
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
= Total Increase in Actual Rents	7.07%	7.96%	tbc

13. It is increasingly common for local housing authorities to place newly-relet and new build properties directly on target rent levels in order to reflect the added value of a newly created/refurbished property compared to others within the dwelling stock, and to generate additional income for the HRA prior to overall convergence being achieved. For Southwark in 2012/13, this would be an uplift in the average rent for these properties from £91.94 to £101.52 (+10.4%). There are currently up to 2,000 void properties within the dwelling stock which would potentially be available for this treatment. However, there is some work to be done in further analysing and refining these figures, and officers also wish to exclude tenants decanted from redevelopment properties from this provision on fairness grounds. The Director of Housing Services therefore intends to address this issue in greater detail during 2012, including an assessment of the broader policy implications of such a move.
14. The Deputy Leader and Cabinet Member for Housing Management wrote to the Minister for Housing and Local Government on 18 November 2011 once the September RPI figure had been published, and the implications for rent increases across the local government sector had been absorbed; with the purpose of highlighting concerns and asking for positive intervention from the government. He drew the attention of Cabinet to this letter in his Foreword to the December Report. The Minister replied on 7 December, but whilst acknowledging the legitimacy of the matters raised, was not able to offer anything in the form of tangible relief. The exchange of correspondence is attached as Appendix E.

Tenant service charges

15. The council does not intend to increase tenant service charges. They remain at the current rates as shown in the table below.

	2012/13 £ per week
Estate Cleaning	4.60
Grounds Maintenance	1.09
Communal Lighting	1.17
Door Entry	0.68
Total	7.54

Non-residential rents and charges

History

16. The provision of garages within Southwark has been a source of concern for some time. Underinvestment has led to widespread disrepair and void levels, and as a consequence the council has been keen to investigate alternative means of “re-invigorating” the service.
17. One such option was to introduce a scheme of differential charging within the borough, and officers worked up proposals on this basis during 2010. However, feedback from residents was overwhelmingly negative regarding this, and as noted in the HRA Budget reports to Cabinet in December 2010 and January 2011, this initiative was not pursued further.

18. In 2011, it was recognised that the service could not be left to decline further, and so proposals for a 50% increase in charges to generate the income necessary to fund investment in the garage stock were tabled. There was also acknowledgement that the 50% increase, which on average equated to around £6 per week needed to recognise the various needs of disadvantaged groups within the likely user base. With this in mind, a concessionary rate was proposed, to be applicable to two qualifying groups: the over-seventies, and those in possession of a “blue badge” indicating receipt of mobility allowance.

Take-up

19. Original projections regarding the take-up indicated that concessions would likely run to around 12% of the stock (at that time some 500 properties). However, as 2011/12 progressed, it became increasingly clear that the concessionary rates were particularly popular, with a significant number of garages being surrendered and then “made over” to qualifying members of the same family. There are currently circa 1,100 concessionary rents granted - 60% elderly, 40% disabled and around 10% fall into both categories.

Budget impact

20. The original intention was that the £5 figure would apply as a discount to the 2011/12 standard charge of £18.62 per week such that its application would be broadly cost neutral for the recipients. It is now accepted that the phrasing of this proposal within the reports considered by Cabinet in December 2010 and January 2011 should have been more definitively stated as forming a discount from the standard charge, as opposed to a flat rate charge. What is clear is that the intended recipients of the policy and the budgetary impact of the change did not materialise as expected. The loss of income arising from this initiative exceeds the budget by £0.4m, but is being mitigated through savings elsewhere in the HRA. However, given that this income was to be earmarked for further investment in the relevant stock, this has clear implications for the ongoing viability of the policy. The proposed change is an attempt to ameliorate this situation.

Future plans

21. The scale of the concessionary charge take-up is such that it risks undermining the original intention of the rise in the standard rate – to enable re-investment and regeneration of the existing garage stock. Whilst preserving the standard charge at current levels – i.e. there is no change to the rate paid by the majority of garage users there are three amendments to the charging scheme, two of which affect the concession:
- The council in consultation with the Garages Working Party have agreed the introduction of a “private sector rent” of £27.50 per week. This is the best estimate of the lowest market rate that can be achieved in the borough at the present time. In the longer term, it has also been agreed to explore the potential for differential market rents depending on geographical location for private sector renters. Work will be carried out during 2012/13 to investigate what the market rents are in the various parts of the borough. The working definition of which groups should be considered as “private sector renters” has also been agreed with representatives of the working party.

- The concessionary charge for the disabled (blue badge holders) will continue, but it will no longer be a rent of £5 per week, rather a reduction of £5 per week from the standard rent as originally envisaged by the Garages Working Party and the council. Blue badge holders receive mobility allowance (at either the higher or lower rate) which is meant to meet the costs associated with disability/mobility issues.
- The concessionary rent will be withdrawn for the over seventy year-old group. There has been widespread concern about the £5 per week rent for this group when others (including pensioners aged 65 – 70) are paying the standard rent of £18.62. Moreover, in the past year the introduction of this concession has seen many garages vacated only to be re-let to more elderly family members at the more advantageous rate, leading to an anomalous situation not linked to affordability.

Investment to date

22. Notwithstanding the under-achievement of budgeted income referred to above, it is important to emphasise that the programme of reinvestment in the garage stock has begun bringing dilapidated stock back into use. Existing budget provision has allowed a limited programme of works such as Nutwood Street and Aberfeldy House, John Ruskin Street to be completed and other works are pending in Andrews Walk (together comprising 2% of the total stock). In addition, security works at Hawkstone Estate and Maydew House contain proposals for garage improvements which are integral to the wider scheme and funded from the Housing Investment Programme. Officers intend to undertake an assessment of storage facilities and usage within the stock to determine the optimum investment returns for the HRA as a whole.

Consultation

23. The council re-established a Garages Working Party, with representatives from both Tenant Council and Home Owner Council, which met to consider all issues arising from the proposed re-invigoration of the service, including investment needs and funding proposals. Their most recent meeting was on 6 December 2011, the outcomes from which were too late to be incorporated in the Indicative HRA Budget and Rent-Setting Report considered by Cabinet on 13 December.
24. The Group accepted the need to revisit the effect and application of the two concessions available since April 2011, and the relevant minute of the meeting states:

“A series of decisions were agreed between the group:

- *Concessionary charges for those over 70 would be phased out by 1st April 2012.*
- *Concessionary charges for blue badge holders will remain – but only for resident Southwark secure tenants, leaseholders and freeholders paying a service charge. Any blue badge holders who do not fall into these categories will be excluded.*
- *The new concessionary rate would be a £5 deduction from the weekly rent, as opposed to a total rent of £5pw.”*

25. Additionally the Garages Working Party agreed a figure of £27.50 per week as the proposed private sector rent.
26. The proposals generated via the Garages Working Party have been reported back to both Tenant Council and Home Owner Council. Tenant Council at its meeting on 9 January 2012 decided to consider the matter further at a later meeting in January 2012 after detailed consideration by area housing forums. Home Owner Council at its meeting on 10 January 2012 resolved to:
 - Express concern as to the proposed changes to the concessions; and
 - Suggested that instead, a compromise rate of £10 per week be substituted for the current £5 in order to reflect the under-funding concerns.

Equalities issues

27. Given that the intention of the concessions in the first instance was to represent the needs of the particular groups concerned, it is important that any proposed revisions to the arrangements also reflect this. The communities impact statement for this report as a whole therefore contains specific elements relating to the proposed changes to the concessionary garage rates.

District heating charges

28. Charges for heating and hot water were last increased in April 2009. Despite continuing volatility in the markets for energy supply the Indicative Report anticipated another year of no increases in this regard. The council reviews charges annually to ensure that within the context of the current four-year flexibly-priced gas supply contracts, charges are set at a level which is likely to be maintained within the currency of the contract. This may not always be the case – particularly in the latter stages of the contract period – but the council is able to maintain this position for 2012/13, and so no increase in these charges is recommended. Any surplus generated within the heating account during the four-year currency of these charging levels will be applied to mitigate any increase which would otherwise be necessary once a new contract commences.

Thames Water

29. Water and sewerage charges applicable to council dwellings will be subject to an increase from April 2012. Following approval by the regulator Ofwat 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.

Financial implications

30. The HRA continues to be under pressure, particularly in the early years of self-financing. The Government effectively operates control over rent policy, through the rent restructuring regime and has calculated Southwark's debt settlement adjustment on the assumption that rent levels match those imputed by full adherence to the national rent policy.

31. For 2012/13, the HRA final budget includes a range of measures, including increases in rents and improved voids management generating greater income. As indicated in Appendix C, this leaves a gap of £6.4m which for the purpose of presenting a balanced budget, will be 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. Appendix D is a schedule listing these savings. Re-profiling and re-direction of resources provides the flexibility to target those areas of highest priority/greatest need. In 2011/12, the council contributed sums into reserves in order to prudently manage the scarce resources available and to cover exceptional cost items now and in the future. This policy will continue in 2012/13. Any updated information regarding commitments and unavoidable demands which has become available since the Indicative Report was published has been incorporated into Appendix C as appropriate.
32. The composition of the savings package was dependent in part on consultation outcomes, though the Indicative Report set out the broad direction of travel required to meet the budget gap. Indicative budgeted expenditure and income for 2012/13 is represented in pie chart form in Appendices F and G respectively; Appendix H indicates the changes between the revised base budget for 2011/12 and the proposed base for 2012/13.

Localism Act, self-financing and the HRA business plan

33. The Indicative Report contained a detailed appendix setting out the impact of government calculations to enable moving from a subsidy-based financial system to one of self-financing for local authority housing revenue accounts, as provided for under Part 7 of the Localism Act 2011.
34. The settlement from CLG, issued in draft form for consultation on 21 November 2011 is to be confirmed during January 2012 and will determine the amount of Southwark's historic HRA debt to be written down by the government on 28 March 2012, in time for the self-financing arrangements to commence on 1 April. The new level of debt has been modelled by CLG to be sustainable over a thirty-year business planning timescale.
35. The assumptions that underpin the financial model for the HRA business plan have been subject to a process of consultation and challenge between central government and local housing authorities, and officers consider that the council would be best served if any initial operation of the HRA under the new arrangements be subject to a specific and more detailed report back to Cabinet. As governance arrangements for the business plan will be a key aspect of this report, it is sensible to time this to complement any considerations of this area by the Housing Commission, which is tasked with reporting back to Cabinet in autumn 2012.

36. In December 2011, Cabinet agreed the establishment of the Housing Commission, and the following is an extract from the report of the Chief Executive from that meeting on the policy implications of this decision:

“The Commission will be undertaking its work within the framework of the council’s and government’s existing policies.

Of particular reference in this area are local and central policies on rent, lettings, allocations, tenure and ownership and Housing Revenue Account (HRA) reforms...

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 complement and constructively challenge the council’s ongoing business delivery.”

37. The Localism Act covers a wide range of local authority activity and arrangements regarding the sector’s relationship both with central government and residents in addition to the provisions specific to HRA reform.
38. The Spending Review 2010 included monies to deliver the Decent Homes Backlog Programme, and following a bidding process allocations per local housing authority were issued. At that time, the figures for the latter two years of the four-year programme (2013/14 and 2014/15) were described as ‘provisional’. That status has not as yet been confirmed. Nationally this programme is administered by the Homes and Communities Agency (HCA), but in London this responsibility must be discharged in consultation with the Mayor of London. For reference the allocations for Southwark are as noted below:

Year	Allocation
2011/12	–
2012/13	£11.25m
2013/14	£15.00m
2014/15	£50.69m
Total	£76.94m

Community impact statement

39. The council works in accordance with the single public sector equality duty contained within section 149 of the Equality Act 2010. This means the council must have due regard to the need to: eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between different groups; and foster good relations between different groups. Guidance on the implications of the Equality Act and the duties it imposes on the council has been issued to service departments and members.
40. In September 2010, Cabinet agreed seven principles that will guide its decision making on the budget. Council Assembly added to this in July 2011 by agreeing the policy statement “A Fairer Future for All”, and both these statements were appended to the Indicative Report in December for reference.

41. Consideration has been given to the reports relevance to equality issues in accordance with the public sector equality duty. This report is primarily to set rents and associated charges; a scoping exercise established that there is no differential effect on residential rents or associated charges for any community or protected group. It is recognised however that increases in rents and charges may present particular difficulties for people on low incomes. However rents and tenant service charges remain eligible for housing benefit, as the Minister notes in his letter (Appendix E):

“For those eligible, Housing Benefit will continue to meet the costs for tenants who cannot afford to pay”

42. The intention of this report is to provide Cabinet with a balanced HRA budget for statutory purposes and the composition of efficiency savings required to set that budget is set out in Appendix D; which was determined with reference to wide-ranging consultation exercises that the council undertook in December 2010/January 2011, and an ongoing revisiting of that exercise with stakeholders as listed in the next section. A separate equality impact analysis has been undertaken in order to ascertain the potential impacts of these efficiency savings on each of the protected categories. Consequently, measures to mitigate potential effects on the community will be implemented in order to maintain the standard of service.
43. The report refers to concessionary rates in relation to non-residential rents and charges which are explained in paragraphs 16 to 27 and takes into account the different needs where appropriate of protected groups. At the Garages Working Party on 6 December 2011 the effect of the decisions around the concessionary charge were considered in detail:
- It was noted that of the circa 1,100 concessionary rents some 60% were in respect of renters of seventy years of age and over; and that many were new lettings where the previous tenancy had been to a family member under the age of seventy. It was noted that there was no means testing for the concessionary rent and that age was not a realistic measure of disposable income when also taking into account that the garage renter could afford to own and run a motor vehicle. The alternatives of being able to get a ‘free’ parking permit for parking on the estate, or a resident permit for the highway was available as for other seventy year-old motorists elsewhere in the borough; and
 - The reduction in the concession for disabled persons was agreed. It was considered that since recipients of the disabled persons concession would also be in receipt of mobility allowance, the current arrangements would lead to a duplication of the assistance granted to reflect their particular needs regarding mobility costs.

Consultation and notification

44. The purpose of presenting rent-setting and budget information to Cabinet in two stages was to facilitate the early commencement of consultation with residents (i.e. before the Christmas break). To that end, the first report was labelled 'Indicative' and figures therein were all subject to change. The sections in this Final Report have set out such changes as are required to provide the HRA with a balanced budget for 2012/13. Specific feedback has been reflected in the relevant sections earlier in the report, where time constraints have allowed.

Savings Panel

45. Tenant Council and Home Owner Council established a joint residents working party to look at savings proposals and other resourcing and service delivery issues for the HRA in more detail throughout 2011. Principal amongst their considerations has been an independent report, commissioned by the Finance Director, conducted by Grant Thornton into the various direct charges and recharges borne by the HRA from the council's general fund. This report is to be referred to the Housing and Community Safety Scrutiny Committee in February 2012 for information.

Tenant Council

46. Tenant Council met on 9 January 2012 to consider the Indicative Rent-Setting and Budget Report, and to refer it on to area housing forums. They reconvened 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 due to time constraints are reported under separate cover.

Home Owner Council

47. 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 the Indicative Report was considered at their meeting of 10 January 2012. Comments on garages are noted in paragraph 26 above and will also be reported to Cabinet alongside those of Tenant Council.

Statutory and Contractual Notifications

48. 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.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

49. 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.
50. On 15 November 2011 the Localism Act (the Act) was enacted. Relevant to the matters set out in this report are the provisions relating to housing finance in Sections 167 to 175 contained within Chapter 3 of Part 7 of the Act. In short these provisions introduce a new system of council housing finance that will end the current Housing Revenue Account subsidy system in England and replace it with self-financing arrangements. To facilitate this, the provisions in Chapter 3 set out the framework for the calculation of a 'settlement payment' with respect to each local housing authority by way of Secretary of State determination. It is provided that the Secretary of State must consult before making a determination. Details of the determinations consulted on by the Secretary of State and the council's response are contained in this report.
51. This report includes recommendations on the charges made by the council in respect its HRA residential accommodation. 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 arising from the self-financing determinations referred to in within this report.
52. 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 is taking place in order to comply with this term.
53. 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.

54. The Equality Act 2010 introduced a single public sector equality duty. As noted at paragraph 39 of the report this duty requires us to have due regard in our decision making processes to the need to:
- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - (b) Advance of equality of opportunity between persons who share a relevant protected characteristic and those who do not share it; and
 - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
55. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The duty also applies to marriage and civil partnership, but only in relation to (a) above.
56. The Council is required to act in accordance with the equality duty and have due regard to the duty when carrying out its functions, which includes making decisions in the current context. The Cabinet must consider the report author's reference to equalities considerations at paragraphs 39 to 43 of this report.

Finance Director

57. The financial implications arising from the various self-financing determinations from central government, and movements in expenditure/income on the HRA are covered within this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Establishment of a Housing Commission for Southwark (<i>Cabinet 13 December 2011, item 9</i>)	Corporate Strategy 160 Tooley Street SE1 2QH	Stephen Gaskell 020 7525 7293
HRA Indicative Rent-Setting and Budget Report 2012-13 (<i>Cabinet 13 December 2011, item 11</i>)	Housing Finance 160 Tooley Street SE1 2QH	Shaun Regan 020 7525 7771
Consultation on the draft determinations to implement self-financing for council housing (<i>Communities and Local Government Department 21 November 2011</i>)	As above	As above
Response to consultation on the draft determinations	As above	Andrew Murray 020 7525 7731
Localism Act 2011 (c.20)	As above	Shaun Regan 020 7525 7771

APPENDICES

No.	Title
Appendix A	Government Determinations under Consultation during December 2011
Appendix B	Southwark response to CLG Consultation
Appendix C	HRA Proposed Budget Movements 2011/12 to 2012/13
Appendix D	Savings Schedule 2012/13
Appendix E	Correspondence between Councillor Ian Wingfield and Grant Shapps MP
Appendix F	HRA Expenditure Budget 2012/13 Pie Chart
Appendix G	HRA Income Budget 2012/13 Pie Chart
Appendix H	HRA Base Budgets 2011/12 and 2012/13

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management		
Lead Officer	Duncan Whitfield, Finance Director		
Report Author	Ian Young, Head of Housing Finance		
Version	Final		
Dated	12 January 2012		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
	Officer Title	Comments Sought	Comments included
	Strategic Director of Communities, Law & Governance	Yes	Yes
	Finance Director	N/a	N/a
	Cabinet Member	Yes	Yes
	Date final report sent to Constitutional Team		12 January 2012

**GOVERNMENT DETERMINATIONS UNDER CONSULTATION DURING
DECEMBER 2011**

Dear Chief Finance Officer/ Chief Accountant / Head of Housing

**Consultation on the draft determinations to implement self-financing for
council housing**

Under section 173 of the Localism Act 2011, the Secretary of State is required to consult representatives of local government and each affected local authority before making determinations to implement self-financing for council housing.

Consultation on amendments to the 2011-12 Housing Revenue Account Subsidy Determination, amendments to the 2011-12 Item 8 Determinations, and the Item 8 Determinations which will apply from April 2012, take place under powers conferred by sections 80 and 87 of the Local Government and Housing Act 1989.

The purpose of this letter is to notify you of the consultation on these determinations, which will deliver a major change in the way council housing is financed. The **consultation closes at 5pm on 6 January 2012.**

We are consulting on five draft determinations:

- The **Settlement Payments Determination**. This sets out the amount each local authority will either pay the Government or receive from the Government on 28 March 2012 in order to exit the current subsidy system, and the way in which the payments will be made.
- The **Limit on Indebtedness Determination**. This places a cap on the amount of housing debt each council may hold.
- The **Housing Revenue Account Subsidy Amendment Determination** for the year 2011-12. This adjusts the subsidy entitlement for this financial year in order to take account of the interest costs or savings arising from the settlement payments. These payments will be made before the end of the financial year.
- The **Item 8 Credit and Debit Amendment Determination** for the year 2011-12. This enables the appropriate charges to be made between the Housing Revenue Account and a council's General Fund to reflect the borrowing costs or savings in this financial year arising from the settlement payments.
- The **Item 8 Credit and Debit Determinations** for 2012 onwards. This provides a framework for the Housing Revenue Account ring-fence to continue to operate under a devolved system of funding.

APPENDIX B**SOUTHWARK RESPONSE TO CLG CONSULTATION**

London Borough of Southwark
PO Box 64529
London SE1P 5LX

HRA Reform Team
Department for Communities and Local Government
Zone 1/J10, Eland House,
Bressenden Place
London SW1E 5DU

[also by email to councilhousingfinance@communities.gsi.gov.uk]

Consultation on the Draft HRA Self-financing Determinations

Response of the London Borough of Southwark.

Southwark has always supported the move to self-financing HRA's, but write to express concern at the settlement figures and methodology indicated in the draft Self-financing Determinations for 2012/13. In particular:

- Volatility in initial allowances caused by a weighting change in the personal social services Area Cost Adjustment.
- Change and lack of transparency in the second stage of allowance uplifts.
- Inadequacy of the affordability caps and limits adjustment to compensate for lost rental income.
- Inequality across authorities in the interest rate on debt and the reinforcement of this in the March 2012 debt transaction.

One of the main problems with the current subsidy system and which self-financing is supposed to eliminate, is the removal of rent increase resources to government. However, in a year where our tenants face an 8% average rent increase, we again suffer a loss of resources, as our debt charge saving and rental income increase is less than the uplifted depreciation charge and loss of subsidy income as table 1 below indicates.

Table 1 – Southwark Gains and Losses 2011/12 to 2012/13

		£m
Losses:	Subsidy income	26.0
	Increased depreciation	9.6
		35.6
Gains:	Debt charge saving	(14.5)
	Rent increase	(15.3)
		(29.8)
Net loss		5.8

Another problem under the current subsidy system which we would expect self-financing to eliminate is volatility of the annual settlement. Unfortunately the draft settlement allows a significant final year's movement in allowance factors to be effectively multiplied up by being projected over many years. This unduly affects the future finances of Southwark and other London authorities.

Southwark Affordable Debt Allocation

In total our opening debt allocation (valuation) is now some £78m (15.6%) higher than indicated in February 2011.

The attached appendix details the Indicative Debt Total by LA cash flow and NPV changes between the February and November models. The appendix shows Management & Maintenance and MRA changes reduce their cash flow by around £8.5m p.a. in the long-term and have increased debt on those allowance elements by £107m.

Table 2 below analyses the effect of stock number changes (reduction of an average 3.33% on NPV of stock) and other movements on the affordable debt elements. Stock changes reduce debt by £17m; *other changes increase debt by £95m* – £53m due to the effect of the September RPI on rent resources, £12m due to premia changes and £30m due to reduction in management and maintenance allowances. The extra £30m debt that relates to allowance reductions, where we expected inflation changes to reduce debt by over £6m, is largely due to regional cost weighting movements and generates a huge extra burden on our HRA.

Table 2 – Southwark allocated debt at February and November 2011

2012 Opening Debt Allocation	@ Feb 11 £m	Stock no effect £m	Inflation /Other £m	Total Change £m	@ Nov 11 £m
Rent	2,840	(94)	53	41	2,799
Management and Maintenance	(1,659)	55	15	70	(1,589)
MRA	(663)	22	15	37	(626)
Premia	(17)		12	(5)	(5)
Total Debt	501	(17)	95	78	579

Initial Allowance Calculation and Regional Cost Indices

An initial calculation produces uplifted interim allowances based on the subsidy methodology.

We were surprised by the Area Cost Adjustment factor for London, applied to allowances, moving downward from 1.25 to 1.20 in a year with a pay freeze. The reduction is nearly all due to the estimated labour share weighting for the social services area block being changed from 80% to 65% (.25 was 80% of +.3151 additional Inner London labour costs and .20 is 65% of the .305 latest factor). So when relative labour costs have only reduced by 0.7% the index has reduced by 4% because of a change in a weighting percentage. We strongly contend that year to year volatility of this sort should not be built into the settlement.

The maintenance/repair BCIS factor for Inner London has also reduced, from 1.21 to 1.19.

As our crime and similar local statistics have not moved much we would have expected around a 2.5% inflation increase in the first stage of allowance uplifts. Because of changes in regional cost indices, this stage of our allowance uplift at 1.3% falls well below the expected 2.5% uplift, and £33.67 per property (£1.3m) below the February indication at 2.2% inflation (see table 3 below).

Table 3 – Southwark changes in initial allowances February and November 11

Per property £	2010/11 level	Feb Initial	Initial uplift	Nov Initial	Initial uplift
Management	1,122.30	1,146.99	+2.2%	1,134.87	+1.1%
Maintenance	1,548.17	1,582.23	+2.2%	1,574.29	+1.7%
Major Repairs	986.72	1,008.43	+2.2%	994.82	+0.8%
Total	3,657.19	3,737.65		3,703.98	
		+£80.46	+2.2%	+£46.79	+1.3%
Loss since Feb 11				£33.67	

Additional Need-to-Spend Resources

The settlement model's Base Data worksheet indicates uplifts necessary in the initial Management, Maintenance and Major Repairs Allowances as a result of need-to-spend studies. Southwark was indicated to receive an extra £570.47 per property in total allowances in February (see table 4 below), yet the November figures show this reducing to only £532.07. There are no calculations in the worksheet to demonstrate how these were allocated each time and it is disappointing that this aspect of the calculations has changed, resulting in a further £1.1m p.a. unexpected shift in allocations.

Table 4 – Southwark second stage allowance uplift February and November 2011

Per property £	Feb initial*	Feb final	Nov initial	Nov Final
Management	1,146.99	1,372.20	1,134.87	1,343.66
Maintenance	1,582.23	1,706.33	1,574.29	1,701.55
Major Repairs	1,008.43	1,149.74	994.82	1,120.27
Adaptations		79.85		77.57
Total	3,737.65	4,308.12	3,703.98	4,243.05
		+£570.47		+£532.07
Loss since Feb 11				£38.40

Caps and Limits Guideline Rent Adjustment

We still also believe that the adjustment for rent caps and limits, which is based on the effect on guideline moving to average formula rent, significantly understates the real situation. The real cases of rent loss due to caps and limits are outliers and their amounts do not reduce nearly as quickly as an average does in the CLG model. The model shows no Southwark reduction for caps and limits beyond 2016/17, yet our rent modelling shows that only 65% of our properties will have converged by 2017, losing us 3.5% (£7m) against formula in 2017/18.

We have also projected our subsidy caps and limits model forward for 10 years and caps to year 20 in order to calculate future subsidy entitlement on a per property basis. This shows very little decline in caps and limits loss to 2016/17, with caps continuing to have an effect well beyond that. Even if we assume that limit funding might continue only to year 5, with caps only beyond that, then it would lose us £53.7m in NPV, yet our adjustment is only £21.6m, giving us an extra debt of £32.1m for guideline rent that we are unable to collect.

Table 5 – Southwark Caps and Limits Guideline Rent projections

	NPV £k	Loss per week								
		y1	y2	y3	y4	y5	y6	y10	Y15	y20
CLG model	21,637	3.70	3.13	2.40	1.72	1.07	-	-	-	-
LBS caps & limits y1-10	47,912	3.70	3.84	3.80	3.78	3.78	3.16	1.85	n/k	n/k
Caps & limits y1-5, caps only y6+	53,671	3.70	3.84	3.80	3.78	3.78	0.51	0.45	0.38	0.33

Consolidated Rate of Interest and Debt Repayment

The debt transaction in March, where it is a repayment, is proposed to apply pro-rata across existing debt, thus having no effect on affected authorities' consolidated rate of interest (CRI). This means there is not a level playing field in terms of debt charges across authorities and those with high CRI on historic debt are severely disadvantaged.

As has been stated previously, we have a CRI of around 6.9%, well above the 6.5% discount rate used for the self-financing settlement and further above the 5.5% used in CLG's indicative debt profile charts. Our interest rate will remain at this level until 2014, when we have a spike in our debt refinancing profile and will be subject to market rates at that point. A substantial part of our external debt was taken on in the 1980's at the time of GLC abolition and has been supported by subsidy since then. It does not seem fair that the interest on this debt is not fully allowed for in the new arrangements.

The proposed pro-rata reduction of £195.2m in our PWLB debt on 28 March 2012 targets both high and low interest debt and hence seems far from prudent in treasury management terms. We calculate that £42.8m of premia will be incurred and we would strongly recommend that repayment be targeted to derive maximum benefit for all parties in a way that is consistent with the Prudential regime.

Our existing debt falls into the following ranges:

Type A debt: £425.7m of loans taken out up to 1996 at 8% – 9.75%.

Type B debt: £336.0m of loans taken out since 1999 at 3.99% – 4.75%.

The overall average interest rate on these external loans is 6.93%.

The current pro-rata proposal would redeem £109.1m (25.6%) of type A debt, incurring £36.4m in premia, and £86.1m (25.6%) of type B debt, incurring £6.4m in premia, without deriving any benefit whatsoever to our CRI.

We strongly contend that no type B debt should be redeemed given that it is at or below current market rates and is not financially prudent to do so. We are able to supply more detailed debt repayment options on request, which would incur the same or less in premia and reduce our initial CRI to a more sustainable level.

At the same time we have examined the possibility of early debt repayment using our own resources as an alternative, but this is not feasible in the short-term given the premia costs involved. Any repayment prior to 28 March would incur premia for both HRA and General Fund that would have been around 25.6% repaid by the self-financing settlement and would also mean that even more of the type B (low interest) debt would be repaid that we wish to retain. After 28 March, the premia incurred would be charged to revenue, hence incurring a net cost in the HRA in the short-term. The Prudential Code does not permit borrowing for revenue purposes to spread this cost over a longer period.

HRA CFR and Appropriations

In pages 19-21 of the draft Determination booklet, HRA CFR is required to be adjusted by the full certified value of housing land and dwellings commencing or ceasing to be accounted in the HRA. This is more than the previous reserved percentages and whilst protecting the original owning account can create a windfall gain not directly required, particularly where the value is greater than the relevant self-financing debt on the asset. Conversely a potential new owning account may find the full value unaffordable and this will inhibit best use of Council assets, for instance giving up housing land to extend a school playground. Some flexibility is therefore desirable in setting the value to be transferred between CFR's.

Right to Buy Consultation

The Affordable Housing Regulation and Investment division of CLG published the consultation paper '*Reinvigorating Right to Buy and one for one replacement*' on 22 December 2011. Southwark will be responding to this consultation in due course, but it is of some concern that the detail of changes with the potential to have a profound impact on the underlying assumptions on rental income streams and stock levels is provided only days before the deadline of the self-financing consultation itself.

Duncan Whitfield
Finance Director

APPENDIX C

HRA PROPOSED BUDGET MOVEMENTS 2011/12 TO 2012/13

	£m
Commitments/ Unavoidable Demands:	
Self-Financing (net)	10.3
Depreciation (MRA) replacement	6.1
General Inflation	1.4
Commitments	2.3
Leaseholder Service Charges	1.8
Gross Deficit/ (Surplus)	21.9
Rents and Charges:	
Guideline Rent Increase	(15.3)
Tenant Service Charges	(0.0)
Non-Dwelling Rents (Garages)	(0.2)
Sub-total	(15.5)
NET DEFICIT BEFORE EFFICIENCY SAVINGS	6.4
Proposed Efficiency Savings:	
Savings required to meet net deficit	(6.4)
Sub-total	(6.4)
NET DEFICIT / (SURPLUS)	0.0

APPENDIX D

HRA SAVINGS SCHEDULE 2012/13

SERVICE AREA	DESCRIPTION OF SAVINGS	2012/13 £'000
<u>Area Management</u>		
Community Safety	Reconfiguration of community safety/ warden provision on housing estates	(120)
Area Management	Area Management restructuring/ modernisation	(1,858)
Area Management	Reduction in energy costs across housing services through improved contract arrangements and reduced usage	(65)
Area Management	Move to a fixed charging arrangement for provision of legal services and greater DIY arrears actions undertaken in-house	(50)
	Total Area Management	(2,093)
<u>Maintenance and Compliance</u>		
Engineering	Change from Schedule of Rates to Price per Property pricing model for the heating contract (Individual heating systems)	(750)
Repairs	Staff restructuring – centralisation/ rationalisation of repairs and maintenance functions	(802)
Repairs	Southwark Building Services (SBS) – internalise management and rationalise workforce generating greater efficiency and productivity	(600)
Repairs	Improved contract management across repairs and maintenance contracts	(900)
	Total Maintenance & Compliance	(3,052)
<u>Major Works</u>		
	Staff restructuring within the Investment and Asset Management team	(549)
	Total Major Works	(549)
<u>Community Housing Services</u>		
Business Improvement	Rationalise business support functions under Head of CHS, including resident involvement	(147)
Housing Assessment and Support	Rationalise business/ operational support at Bournemouth Road complex	(28)
Housing Options	Homesearch – withdraw publication of magazine – on-line access only from new year	(90)
Temporary Accommodation	Estate Voids – reduce unit costs, predominantly repairs and maintenance and other operational expenses	(47)
Temporary Accommodation	Reduction in tenant removal expenses	(20)
Temporary Accommodation	Hostels – rationalise operational budgets and reduce unit costs	(39)
Temporary Accommodation	Reduce agency usage	(20)
	Total Community Housing Services	(391)

SERVICE AREA	DESCRIPTION OF SAVINGS	2012/13 £'000
<u>Regeneration Department</u>	Staff restructuring within the Investment Strategy team	(24)
	Total Regeneration Department	(24)
<u>Department Support Costs</u>	Staff restructuring within Finance & Resources department	(48)
	Thames Water – net saving from stock changes	(134)
	Reduction in central employee pay award provision	(106)
	Total Finance and Resources Department	(288)
	TOTAL HRA EFFICIENCY SAVINGS	(6,397)

APPENDIX E



Rt. Hon. Grant Shapps MP
Minister for Housing and Local Government
Department of Communities and Local Government
Eland House
Bressenden Place
London SW1E 5DU

London Borough of Southwark
 PO Box 64529
 London SE1P 5LX

18 November 2011

Dear Minister,

LIKELY RENT LEVELS 2012/13

I am writing to you to express my concern regarding the impact September RPI of 5.6% will have on rent levels in Southwark.

As you are aware Southwark has adhered to the principles of rent restructuring since its introduction in 2002. However in order to set rents strictly in accordance with the rent restructuring methodology – a particular challenge for London authorities – this will most likely mean an average rent increase of around 8.4% in 2012/13.

We are concerned about the impact an increase of this size will have on tenants at a time when people are struggling to cope with increased living costs. We are calling for additional relief to be made available to mitigate the impact of this increase without putting at risk the transition to self-financing.

Given that the Debt Settlement is based on assessments of the rental stream of the council over the next 30 years, unilateral reductions in anticipated rent increases now will present a clear threat to the long-term financial health of our Housing Revenue Account.

We believe the calculation of the Debt Settlement should be amended as part of the impending Determinations from your department; or an equivalent scheme is set up for local authority landlords broadly similar to the model adopted by the Government in order to implement the 2011/12 Council Tax freeze.

It is absolutely essential that alternative means are explored in order to help tenants and guarantee the launch of self-financing from a robust financial base.

I look forward to hearing from you.

Yours sincerely,

Councillor Ian Wingfield
Deputy Leader of Southwark Council, and Cabinet Member for Housing Management

Cc. Rt. Hon Simon Hughes, MP for Bermondsey and Old Southwark
 Rt. Hon Harriet Harman, MP for Camberwell and Peckham
 Rt. Hon Tessa Jowell, MP for Dulwich and West Norwood

1W-1125



Cllr Ian Wingfield
 Deputy Leader of Southwark Council
 LB Southwark
 PO Box 64529
 London
 SE1P 5LX

The Rt Hon Grant Shapps MP
 Minister for Housing and Local Government

Department for Communities and Local Government

Eland House
 Bressenden Place
 London SW1E 5DU

Tel: 0303 444 3460
 Fax: 020 7828 4903
 E-Mail: grant.shapps@communities.gsi.gov.uk

www.communities.gov.uk

Our Ref: GS/GS/042796/11

Dear Ian,

07 DEC 2011

RENT LEVELS 2012/13

Thank you for your letter of 18 November concerning the impact of RPI on next year's rent rises.

As you are no doubt aware, we are currently consulting with local authorities on the detailed arrangements for self-financing, the Government's major reform of the council housing finance system which will go live from April next year. The consultation includes assumptions we will make about council rents for 2012-13. Income assumptions in the self-financing model are based on the existing rent policy. A change to rent policy would either leave councils with less to spend on their housing, or would need to be funded by Government from other programmes, which would be unaffordable.

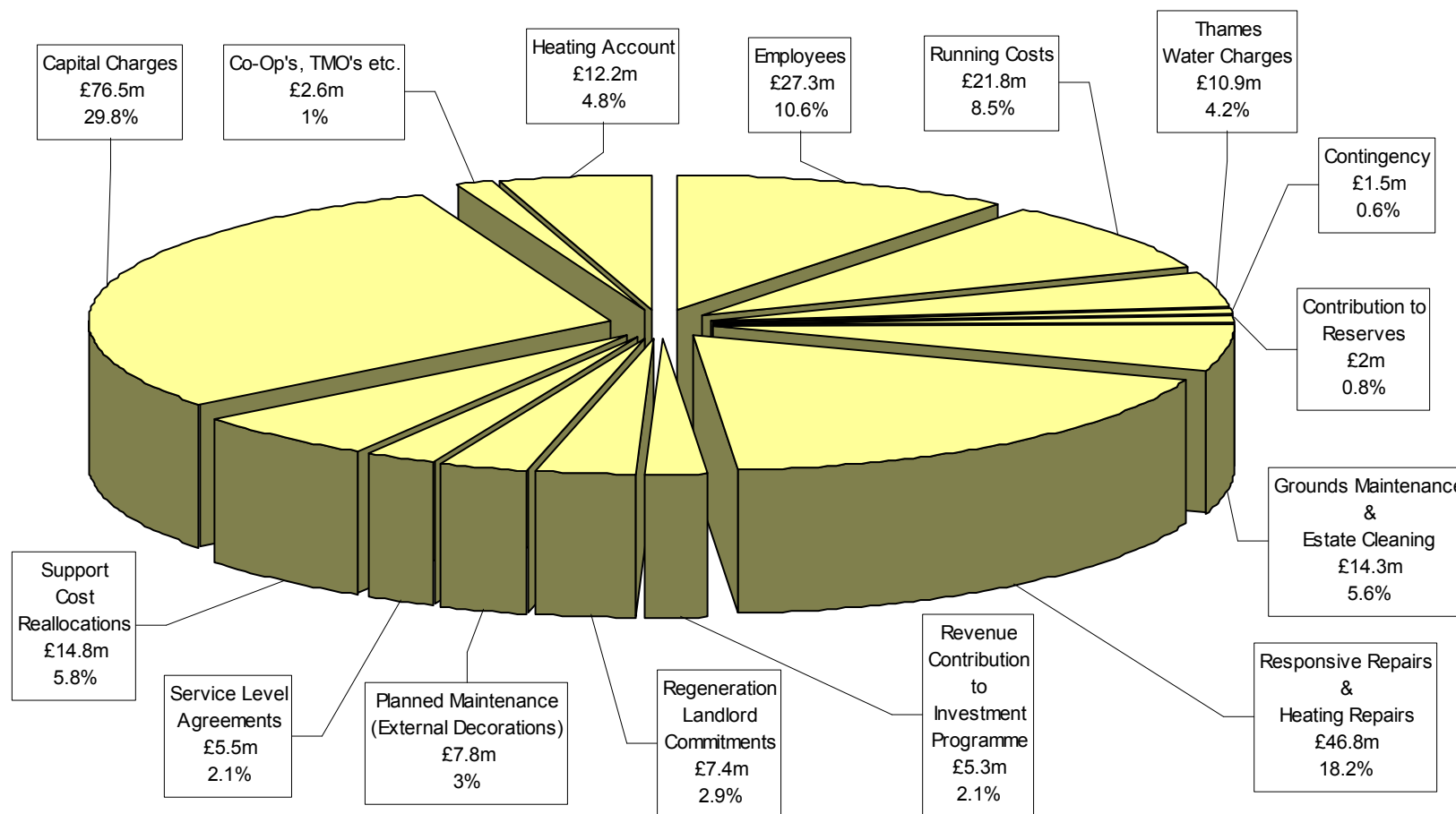
Self financing will give councils the freedom they need to be innovative and ambitious. It will also provide councils with substantially more money to spend on local housing and services to tenants. Rents should be seen as part of a comprehensive package of reforms which will deliver a long term, securely funded future for council housing.

The Government does appreciate that rent increases are of concern to all tenants and the rents we expect councils to charge next year will remain below those charged by housing associations for similar properties. In most cases they will also remain well below market rents. For those eligible, Housing Benefit will continue to meet the costs for tenants who cannot afford to pay.

A large, stylized handwritten signature in blue ink, appearing to read "Grant Shapps".

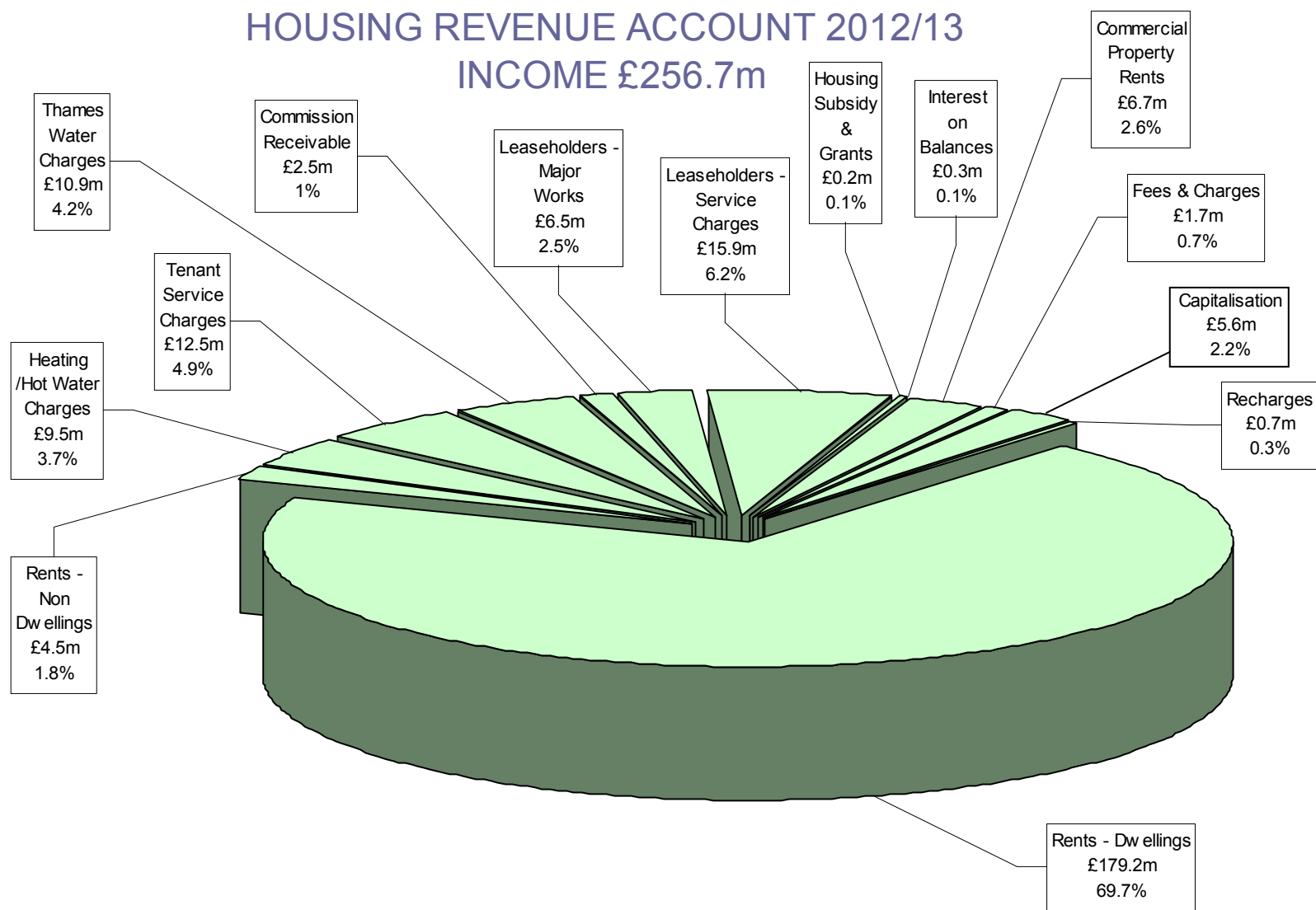
GRANT SHAPPS MP

HOUSING REVENUE ACCOUNT 2012/13 EXPENDITURE £256.7m



HOUSING REVENUE ACCOUNT 2012/13

INCOME £256.7m



APPENDIX H

HRA BASE BUDGETS 2011/12 AND 2012/13

	Revised Base Budget 2011/12	Proposed Base Budget 2012/13	Changes
	£m	£m	£m
Expenditure:			
Employees	30.3	27.3	(3.0)
Running Costs	23.0	21.8	(1.2)
Thames Water Charges	11.1	10.9	(0.2)
Contingency Reserve	1.5	1.5	–
Contribution to Reserves	2.0	2.0	–
Grounds Maintenance and Estate Cleaning	14.4	14.3	(0.1)
Responsive Repairs and Heating Repairs	47.7	46.8	(0.9)
Revenue Contribution to Investment Programme	7.4	5.3	(2.1)
Regeneration Landlord Commitments	7.4	7.4	–
Planned Maintenance	7.8	7.8	–
Service Level Agreements	5.5	5.5	–
Corporate Support Costs	14.4	14.8	0.4
Asset Rents (Debt Charges)	86.2	76.5	(9.7)
Co-op's, Tenant Management Organisations etc.	2.6	2.6	–
Heating Account	12.2	12.2	–
Sub-total	273.5	256.7	(16.8)
Income:			
Rents – Dwellings	(165.7)	(179.2)	(13.5)
Rents – Non Dwellings	(4.5)	(4.5)	–
Heating/Hot Water Charges	(9.5)	(9.5)	–
Tenant Service Charges	(12.5)	(12.5)	–
Thames Water Charges	(10.9)	(10.9)	–
Commission Receivable	(2.5)	(2.5)	–
Leaseholders – Major Works	(9.7)	(6.5)	3.2
Leaseholders – Service Charges	(16.6)	(15.9)	0.7
Grants	(26.3)	(0.2)	26.1
Interest on Balances	(0.3)	(0.3)	–
Commercial Property Rents	(6.7)	(6.7)	–
Fees and Charges	(1.4)	(1.7)	(0.3)
Capitalisation (Repairs)	(6.1)	(5.6)	0.5
Recharges	(0.8)	(0.7)	0.1
Sub-total	(273.5)	(256.7)	16.8
TOTAL	0.0	0.0	0.0

Item No. 10.	Classification: Open	Date: 24 January 2012	Meeting Name: Cabinet
Report title:		London Councils Grants Scheme 2012/13	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Abdul Mohamed, Equalities and Community Engagement	

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

The London Councils grants scheme funds voluntary and community sector organisations that are intended to address a range of social issues primarily focused on tackling disadvantage, discrimination and creating opportunities for all those living in London. It primarily funds organisations that work across more than one London borough.

The unprecedented cuts in government funding have led to London Councils substantially reducing the levy that all London Councils are required to pay to the scheme and ending the commissioning of a large number of services across London.

For 2012/13 the levy that Southwark Council is required to pay is £421,773 a reduction of £93,458 on the previous financial year. We need to formally agree this new reduced levy and note that this is a transitional year and London councils has been consulting on future priorities for the scheme.

RECOMMENDATIONS

1. That the Cabinet approve Southwark Council's contribution to the London Councils Grants Scheme of £421,773 for 2012/13 subject to approval of the budget proposals to be submitted to the Council Assembly in February 2012.

BACKGROUND INFORMATION

2. The London Councils Grants Scheme was established following the abolition of the Greater London Council, as a means of maintaining support to voluntary organisations providing London-wide services. Organisations supported by the scheme are required to provide services across at least two London boroughs in order to qualify for support.
3. Constituent Councils are required to contribute to the London Councils Grants Scheme under Regulations 6(8) of the Levying Bodies (General) Regulations 1992. Individual council's contributions should be proportionate to their populations. For 2012/13 the apportionment is based on the Office for National Statistics (ONS) June 2010 estimate of population.
4. In accordance with the Grants to Voluntary Organisations Order 1992 which came into effect on 02 November 1992 and remains in force, two-thirds of constituent Councils must agree the budget before 1 February 2012. If not the overall level of expenditure will be deemed to be the same as that approved for

2011/12 which totalled £20,767,000. A total budget of £12,500,000 for 2012/13 has been recommended by the London Councils Leaders Committee.

5. When the ALG was established on 1 April 2000 constituent councils agreed to some changes to the operation of the Scheme. These changes meant that the budget for London Councils Grants Scheme must be approved by London Councils Leaders Committee. This should normally happen before any budget that is recommended to constituent councils by the Grants Committee can be formally referred to them as a basis for consideration in their respective council chambers. Under Paragraph 7.5 of the Scheme London boroughs are required to formally respond to London Councils Leaders Committee by no later than 20 January 2012. However, as the Leaders Committee did not agree the proposed budget until 13 December 2011 the next opportunity to present this to the Cabinet was not until 24 January 2012. Southwark will therefore be notifying London Councils on 25 January 2012 after the 20 January deadline has passed.
6. Following the May 2010 London local council elections, borough leaders suggested that given the increasing devolution of powers and services by government to the local level, a significant proportion of the grants scheme could be better spent by individual boroughs on locally determined priorities. This together with the squeeze on public sector finances triggered a review of the grants scheme that was announced at the London Councils Annual General Meeting on 8 June 2010 with a view to repatriation or reduction of the levy. The timescale agreed for completion of the review was December 2010.
7. The review of the London Boroughs' Grants Scheme focused on three main issues:
 - What funded activity, if any, should be delivered locally by individual London boroughs in the future;
 - What London-wide activities/programme should be funded in the future, together with budget and priorities for this;
 - The timetable and processes to achieve the resulting changes.
8. The following re-categorisation of services for future funding purposes emerged from the review:

Category A – London-wide services

The funded services included in Category A are mainly those which satisfy one or more of the following conditions:

- Those where the frontline service is in the true sense London-wide, such as London-wide sporting competitions and child helpline; and/or
- Those which provide capacity building and support to the third sector; and/or
- Those which provide a London-wide voice to different sectors of the community.

Category B – Sub-regional services delivered across more than one London Borough.

Those included in Category B are mainly services that are currently organised sub-regionally, or services which are piloted in parts of London, such as services to tackle child poverty.

Category C – Services that are local in nature - delivered within a single London Borough

Those included in this category are funded services where services are local in nature, and where they could potentially be carried out at a local level if boroughs have the resources available to do so. These include services such as day centres and drop-in for homeless people and those which reduce bullying and its impact.

9. The issues and concerns raised during the consultation process with regard to the speed of change and the capacity of boroughs to quickly take on commissioning responsibility shaped 3 broad options on how to progress change whilst minimising disruption.
 - Option 1 - De-commission B and C services from 1 April 2011
 - Option 2 - Allow all B and C services to run their full course
 - Option 3 - Allow a managed process of transition for B and C services
10. The Grants Committee met on 25 November 2010 to consider the key issues arising from the review process including the principles that emerged from the consultation, the categorisation of services, the timing of the proposed changes and to make recommendations to Leaders Committee on which proposal to take forward for approval. Grants Committee opted for Option 3 (a managed transition) and these recommendations were approved by Leaders Committee on 14 December 2010. This meant that individual boroughs would need to come to a conclusion as to which commissioned services should continue on a borough by borough and commission by commission basis.
11. It was recognised that not all boroughs could come to conclusions as to which, if any, services they would like to be managed on an interim basis before 31 December 2010 which is when notice of early termination would have to be given if commissions were to end on 31st March 2011. It was also therefore agreed that all commissions would continue until 30th June 2011 to give all boroughs time to agree their own options. In the meantime individual boroughs needed to consider which services they wished to continue to run and how they would be managed in the future. Organisations were formally notified on 21 December 2010 that funding would cease on 31 March 2011.
12. On 1 February 2011 the High Court upheld a Judicial Review Claim brought by clients of the Roma Support Group challenging the basis upon which certain decisions in relation to the future of the Scheme had been taken. The challenge was brought on two broad issues:
 - That the consultation process was flawed in a number of ways; and

- That the decisions did not give due regard to London Councils' statutory equalities duties
13. The Court ruled that insufficient consideration had been given to equalities duties as a consequence of London Councils' approach to assessing and categorising the 69 service areas rather than the 360 individual commissions for the purpose of making funding decisions.

The Court proceeded to quash the leaders' Committee decisions on:

- Categorisation of services for funding purposes
 - The timing of changes to Scheme
 - Transitional arrangements.
14. The Court also ordered that London Councils should not terminate any commissions in advance of their natural expiry until three months after a lawful reconsideration of the decisions which were quashed. Overall the decision meant that if LC wished to continue then services had to be re-categorised and Equalities impact Assessment's (EiA's) carried out on the 360 commissioned services.
15. London Councils formally withdrew notice letters of 21 December 2010 to commissioned organisations and informed them that they were on 3 months rolling notice pending a re-categorisation, further consultation and the completion of EiA's for all commissioned services. All groups were subject to further re-categorisation in terms of A, B and C services. The completion date aimed for was March 2011 or as soon as possible thereafter.
16. At its meeting on 7 May 2011 Leaders' Committee having taken account of the High Court ruling and on a recommendation of the Grants Committee, agreed a re-categorisation of commissions and a categorisation of A* commissions which will continue until the end of their original agreement. A* services are commissions that meet the principles for a London wide programme and which address one or more of the Scheme's priority areas. All other services categorised as A/B/C commissions were to be terminated no later than 15 August 2011. London Councils subsequently gave notice to all commissions that were not categorised as A* and these have now been terminated. Funding continues for category A* commissions and subject to the continued availability of resources, grants will be provided to the end of the agreed period. Continuation of funding for A* services is also subject to organisations continuing to deliver in accordance with the requirements of the commission.
17. At an informal meeting of borough leaders it was agreed that there should continue to be a grants scheme beyond 2012/13 at a much reduced level which should retain the principles and priorities previously agreed. The new scheme should focus on one or two areas only and should be broadly related to London wide programmes where the mobility of clients is key e.g. domestic violence, homelessness and capacity building the voluntary sector.
18. At its meeting on 13 July 2011 the Grants Committee agreed that there should be consultation on these proposals for a future grants programme based on:
- A reduced budget in 2012/13 including the cost of continuing the current portfolio of A* commissions to their natural end

- A revised approach to services that are commissioned by London Councils 2013/14 following wider consultation
- Further consideration of the administrative structure of the scheme.

KEY ISSUES FOR CONSIDERATION

19. The London Councils Grants Committee considered proposals for expenditure in 2012/13 at its meeting on 09 November 2011. This was subject to agreement of the overall budget by London Councils Leaders' Committee, which met on 13 December 2011 and agreed the proposed budget. The budget being recommended to constituent councils is set out below.

£

Overall Level of Expenditure **12,500,000**

Made up of:

- London Councils Grants Programme	9,940,000
- Membership Fees to London Funders	60,000
- ESF Co-Financing	1,905,000
- Operating (Non-Grants) Expenditure	491,000
- Central Recharges	104,000

Income would comprise:

- Borough contributions	11,500,000
- European Social Fund grant	1,000,000

20. The budget for 2012/13 will be a transitional budget leading up to the new programme that will be effective from 2013/14. Assuming a future programme of about £8 million, it is anticipated that at least some of the current programme of commissions which are due to end during 2012/13 will not be extended or renewed. The cost of funding all commissions until the end of 2012/13 would be over £11 million.

Community impact statement

21. For the financial year 2011/2012 the sum of £20,767,000 was awarded to voluntary organisations based throughout London to carry out various services and activities covering legal advice, health & social care, citizenship & human rights, support for women, support for children and young people, arts and culture, sustainable forms of transport, quality childcare provisions, support for the elderly, support for migrant communities, facilities for homeless persons, tackling homelessness, development of social enterprise across London, social cohesion, etc. Southwark Council influences the pattern of the London Councils support through its representation on both Grants and Leaders Committees as a constituent council.

22. This funding is based on levels of deprivation and need. Residents in Southwark benefit from a wider range of services from organisations other than those simply based within the borough. Organisations based in Southwark also serve the populations of other London boroughs.
23. Given Southwark's demographics a number of organisations in receipt of London Councils funding are providing services which have a beneficial effect on the local community. Examples include: Southwark Refugee Project, Age Concern, Homeless Link & Victim Support. Funding from London Councils to a number of Southwark based groups providing such services under the scheme ended in August 2011.
24. Arriving at conclusions as to which, if any, services the council would like to continue to be provided presents a complex challenge and carries significant risk for the council for a number of reasons. London Councils is one of the largest funders of the voluntary and community sector in London, the current scheme funded over 360 individual voluntary sector organisations, almost 200 of which have beneficiaries who are residents of Southwark. In addition a number of organisations previously supported with London Councils funding are also in receipt of council funding. A number of advice service providers were subject to termination of their commissions in August 2011. These groups can apply to the council's Transition Fund to enable them to move to a more sustainable position. Within Southwark, therefore, the impact can potentially be mitigated in this way if proposals meet the criteria of the Transition Fund.
25. The decision to end commissions was taken by London Councils on the basis of a re-categorisation of services and completion of EIA's. Based on this London Councils have arrived at the budget set out above which is now a decision for constituent councils to approve.

Resource implications

26. Southwark Council's contribution to the 2011/12 budget was £515,231 (based on a population of 285,600). If the proposed budget is approved the contribution in 2012/13 will be £421,773 (based on a population of 287,000). This represents a decrease of £93,458 over the 2011/12 levy.
27. There are sufficient resources within the community support budget to meet the Council's required levy of £421,773 for 2012/13. However, this will need to be considered within the council's normal budget-setting process.

Consultation

28. Southwark Council is represented on the London Councils Grants and Leaders Committee. In addition officers attend the London Councils Grants officers meetings. The scheme requires two third of constituent Councils to support a budget. If this is not achieved then the budget will remain at 2011/12 level.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

29. Section 48 of the Local Government Act 1985 ('the Act') enables schemes to be made in relation to Greater London and the metropolitan counties for the making of grants to voluntary organisations. In each such area, one constituent council is designated in the scheme for purpose of making the grants, with the other councils contributing financially. In Greater London the constituent councils are the councils of the London boroughs and the Common Council of the City of London. The London Councils Grants Scheme is governed by section 48 of the Act.
30. The council is required under section 48 (3) of the Act to contribute to any expenditure that has been incurred with the approval of two-thirds of the constituent councils. The council's contribution is determined by reference to the size of the council's population.
31. By virtue of section 48 (4) (A) of the Act and The Grants to Voluntary Organisations (Specified Date) Order 1992, it is provided that where a scheme which relates to Greater London requires expenditure under the scheme to be approved by some or all of the constituent councils but the total expenditure in relation to a financial year beginning on or after 1 April 1993 is not so approved before 1st February immediately preceding that financial year the constituent councils shall be deemed to have given their approval to the amount approved or deemed to have been approved for the preceding financial year.
32. The report author at paragraph 21 advises that funding from London Councils to a number of Southwark based groups under the London Councils Grants Scheme ended in August 2011. The report author at Paragraph 22 goes on to set out the risks to the council in determining which, if any, services the council would like to continue to be provided.
33. When making such determinations the council must have due regard to the public sector equality duty contained within Section 149 of the Equality Act 2010. That is the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and those who do not and foster good relations between those who share a relevant characteristic and those that do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

Finance Director

34. The finance director notes that Southwark's precise base budget for 2012/13 in respect of this programme has yet to be finalised, however the overall requirement as currently outlined in the report of £421,773 is within the current budget for the 2011/12 grant programme and this area is not part of the departmental savings programme for 2012/13. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.
35. This report recommends that the Cabinet approve Southwark Council's contribution to the London Councils Grants Scheme of £421,773 for 2012/13 subject to approval of the budget proposals to be submitted to the Council Assembly in February 2012.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Correspondence from London Councils	Community engagement, 160 Tooley Street London SE1 2QH	Triumphant Oghre 0207 525 7418
London Councils Grants Scheme 2011/12 - Report	Community engagement, 160 Tooley Street, London SE1 2QH	Triumphant Oghre 0207 525 7418

AUDIT TRAIL

Cabinet Member	Councillor Abdul Mohamed, Equalities & Community Engagement	
Lead Officer	Stephen Douglass, Head of Community Engagement	
Report Author	Triumphant Oghre, Commissioning Officer	
Version	Final	
Dated	11 January 2012	
Key Decision	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	11 January 2012	

Item No. 11.	Classification: Open	Date: 24 January 2012	Meeting Name: Cabinet
Report title:		Sheltered Housing Service Re-modelling	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Ian Wingfield, Deputy Leader and Housing Management Councillor Dora Dixon-Fyle, Health and Adult Social Care	

FOREWORD - COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT / COUNCILLOR DORA DIXON FYLE, CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE

The purpose of this report is to consider the options available to the council due to the withdrawal of Supporting People funding for the council’s sheltered housing service, as a result of reductions in national government funding. This report sets out the options for future service delivery which would form the basis of consultation with tenants and recommends a way forward for funding the service in future through a housing benefit eligible service charge. This is a genuine consultation and we want to listen to what our residents say. All options for future service delivery remain open. We would, however, wish to say that, subject to the outcome of the consultation, our preferred option is to expand the service and to enhance it as we firmly believe that this is in the best interests of the residents themselves and most likely to most effectively meet their needs. This is part of a wider offer and vision for older persons’ housing in the borough which is to both deliver high quality services that meet residents’ needs and promote self help and independence. It is further recommended that the longer term future of the council’s sheltered housing service also should be considered when the Housing Commission has reported.

RECOMMENDATIONS

1. That cabinet notes the proposal to consult on the introduction of a service charge for sheltered housing as a result of the proposed loss of supporting people funding, following reductions in council funding as part of the government’s comprehensive spending round.
2. That cabinet agrees to consult tenants on the proposal to make a service charge for the sheltered housing service, and on the options available for future provision of a service for sheltered tenants, using an enhanced housing management model, and based on one of the three models set out below:

Option 1 – Restructure of current service model (service hubs call out and warden visiting service). This would involve a landlord service charge to tenants of £21.91 p/w.

Option 2 – Reduced service model (call out) based on a call out emergency response service only. This would involve a basic landlord service charge to tenants of £6.68 p/w.

Option 3 – Enhanced service model (resident warden) based on an on site warden available Monday to Friday from 8am to 4pm each day. This would involve a landlord service charge to tenants of £32.70 p/w.

3. That the cost of the transitional protection for existing tenants who are not eligible for housing benefit is met from the saving from Adult Social Care budgets and that any new arrangements are put in place from April 2013.
4. That a review is carried out to consider the conversion of part of the council's sheltered housing stock to extra care provision.
5. That the sheltered stock should be subject to an updated options appraisal, especially as demand for both sheltered and extra care housing has increased significantly in recent years. The results of the appraisal will be subject to a further review and are likely to require cabinet input in deciding upon the longer term future of the stock.

BACKGROUND INFORMATION

6. In terms of the council's sheltered housing service, the council currently manages 19 separate sheltered housing schemes, providing help and support to 626 residents.
7. All service users are aged over 55, and the service profile is as follows:
 - 27% are BME
 - 50% Male/ Female
 - 87.84% Religion - Christian.
 - 33% 55 to 74
 - 56% over 75 years old
 - 21% over 84
8. Currently, sheltered tenants are not liable for a service charge and pay an all inclusive rent of around £80 - £100 per week. 88% of tenants are in receipt of full or part HB and the remainder are self – payers.
9. A survey of the council's sheltered housing service conducted in 2010 found the following profile of council sheltered housing residents.

Support need	Dec 2010
Require help with maintenance/housing management issues	31%
Require help to access and monitor social care needs	25%
Require help with income maximisation	22%
Wheelchair dependent	8%
Use walking frame or stick	45%
Hearing impairment	20%
Registered blind	4%
Mental health issue and supported by CMHT	8%
Other disability or impairment	9%

Support need	Dec 2010
Alcohol issues	3%
Substance misuse issues	Less than 1%
Learning disability	8%
In receipt of personal or domiciliary support	17%
Telecare equipment installed	9% (100% key safes)

10. Overall, the survey concluded that the support needs of the council tenants were found to be relatively higher than those in Registered Provider Sheltered Housing schemes. A recent survey conducted by the Council in 2011 looked comparatively at levels of need in both Council owned sheltered housing and the RP sector in Southwark. These are some of the main findings, as reported by sheltered housing tenants:

- 71% of RP respondents and 78% Council tenants say they either never or occasionally need help with applying for benefits. However, this should be set against the 43% of RPL and 60% of LBS sheltered residents who say they need more frequent help with letters and forms.
- a significant proportion (18% RP and 21% LBS) need assistance with debt and rent arrears either monthly or weekly.
- getting repairs done is a significant issue with both RP and LBS sheltered residents. Antisocial behaviour and neighbour disputes are low. In addition support with dealing with abuse and exploitation is also very low.
- a significant proportion in both RP and LBS sheltered provision show a support need in staying in contact with family and friends.
- as might be expected over half of both RP and LBS sheltered responses show a more frequent support need in relation to physical health problems. There are high levels of support needs in relation to accessing health services and also in medication compliance
- the frequency of support with mobility issues is high both in RP and LBS sheltered accommodation.
- there appears to be a small but significant support need around carers issues in both RP (16%) and LBS (23%) responses.
- Support around social isolation and loneliness seems less of an issue but this may be because of the nature of sheltered communities and activities.

KEY ISSUES FOR CONSIDERATION

Executive summary

11. The sheltered housing service is currently funded through the Council's supporting people programme. The yearly cost of £851k purchases a visiting warden support service to tenants living in council owned sheltered housing schemes, across the London borough of Southwark. Budget funding is held within Adult & Social Care in supporting people budgets. An in year efficiency saving of £49k was made on this budget in 2011-12. This means that the level of

funding has reduced to £802k, resulting in the deletion of further posts from the staffing structure.

12. Adult Social Care (ASC) is proposing to withdraw the funding, from April 2013, to meet savings requirements. It is envisaged that the loss of funding for the service will be offset by a re-orientation of the existing model of service delivery, from a support service to an enhanced housing management service, funded through a housing benefit eligible service charge. This is an approach which is increasingly being adopted by other providers of sheltered housing and the council's Housing Benefits team has confirmed that this is a viable way of funding future service delivery. No existing residents would be financially affected by the new charge as the cost of the charge would be met by either housing benefit or a transitional protection payment. In addition, around 95% of new tenants are expected to be in receipt of housing benefit and so would not have to pay the charge from their own resources either.
13. There are 19 sheltered housing schemes affected, providing a total of 626 units of accommodation for elderly tenants in Southwark.
14. Presently, there are 7 voids at 1.12% of the sheltered housing stock. 4 of these are currently on offer and expected to be filled. There are around 247 older people on the sheltered housing waiting list and about 70% of these are active bidders, depending on the type and location of the units that become available, on a weekly basis.
15. Further detail on these proposals is set out in this report.

Strategic context

16. In 2011, the council consulted stakeholders on an Older Persons Housing Action Plan. A key aim of the action plan is to help older people to live independently for as long as possible in their own homes and the council's sheltered housing service provides an important local resource to support this aim.

Local demographic trends indicate:

17. **Projected growth in number of over 65s** – Approximately 25,000 people aged 65 or over (8.5% of the total population) live in Southwark. By 2020 the number of older people in Southwark over 65 is expected to grow by about 2,000 people (8.0%). By 2030 it is estimated that there will be an additional 9,700 people aged over 65 compared to 2010.
18. **Projected growth in the number of over 85s** – By 2020 the number of older people over the age of 85 is expected to grow by 800 (21.0%). By 2030 it is estimated that there will be an estimated additional 1,700 people aged over 85 compared to 2010.
19. **The number of older people with dementia and other forms of mental illness** is expected to grow. There is a strong association between dementia and increasing age, and in 2015 an estimated 1,705 people over 65 will have some form of cognitive impairment in Southwark.
20. The sheltered housing service currently has 247 older people on the sheltered housing register. The average age of applicants on the list is 72 years of age and

a breakdown of applicants requesting council sheltered housing by age is set out below.

55-59	4%
60-70	33%
71-84	48%
85-100	16%

21. Approximately 58% of applicants are female and 42% are male. Circa 95% of applicants are currently in receipt of Housing Benefit. There is steady demand for sheltered housing; a snapshot of the housing register in October 2011 showed there were 247 people who had registered for sheltered housing including a high proportion from the top two priority bands. The void rate is just 1.17% for Council sheltered accommodation. For the last three years there have been around 550 bids per year for sheltered housing. There are approximately two lettings a week to the council's sheltered housing.
22. The provision of extra care housing is seen as essential to reduce the number of people moving into residential care and to allow people to live more independently. Many of the households who were placed in residential care could have been moved to extra care housing had this been available at time of placement. As of April 2011, there were approximately 600 older people permanently placed in registered care services, therefore if the borough could provide a further 150 units of extra care, 25% of these placements could have been avoided resulting in significant cost savings for the council. The council has identified an aspiration for 150 new units of extra care over the next five years. Many of the current sheltered residents have higher needs and would be better suited to extra care housing if there was sufficient provision in the borough, rather than prematurely moving into residential housing. Consequently, the conversion of a proportion of the sheltered housing stock to extra care housing is a key strategic aim of the council in order to be able to better meet the changing needs of older people.

Current service provision

23. 88% per cent of tenants receive a fully rebated rent paid through the housing benefit system. The remaining 11.3% (71 tenants) currently receive part housing benefit, dependent upon their individual circumstances.
24. Levels of support provided to tenants have been scaled back during the last 7 years. In 2009-10 Supporting People withdrew 28% of the overall funding which led to the development of a hub and spoke visiting service from what had previously been a resident warden service. This has brought the unit cost in line with more competitive unit costs offered by other providers, within the sector. It also ensured the service became specifically targeted at the most vulnerable tenants. The service provides support during normal working hours. Out of hours support is provided by the Southwark monitoring and alarm response team (SMART) through a warden call system. Reductions in the sheltered support service have resulted in increased pressures on both the SMART service and Area Management teams.
25. The existing hub and spoke model entails a visiting service targeted specifically at the most vulnerable tenants who require staff to visit their individual flats to check on their well-being, on a regular (and sometimes daily) basis. The proposed enhanced housing management model will enable staff to support

tenants with issues that are related to their tenancy and to the upkeep of communal aspects of the sheltered schemes. Officers believe that this model is likely to be popular with the majority of tenants.

26. Detailed in table one below is the supporting people funding profile over the last 7 years.

Table one

Year	Units	Rate per unit	£	% change
2005/06	683	41.67	1,276,269	
2006/07	683	42.71	1,308,175	2%*
2007/08	671	40.35	1,239,235	-5%
2008/09	671	34.01	1,186,676	-4%
2009/10	626	26.14	850,909	-28%
2010/11	626	26.14	850,909	0%
2011/12	626	26.14	850,909*	0%

Pre SMART Out of hour's service incorporated

- Fixed fee paid up to 11-12
- *In year budget FY 11-12 £802k

27. There is presently 18 staff in total comprising of management, administration and front line scheme coordinators and officers. These officers operate and managing the 19 sheltered schemes across the borough, providing a range of services to meet tenants' support needs. All of these posts are currently funded through Adult Social Care. The housing revenue account does not provide any funding for this service.
28. Following analysis of current housing benefit regulations with relevant housing benefit staff, the areas that are likely to be eligible to be funded as a landlord service are highlighted in appendix 1. These functions would be provided as part of an enhanced housing management model.
29. A number of boroughs have successfully changed their service to an enhanced housing management model, based on a housing benefit eligible service charge, including Hammersmith and Fulham. Other boroughs currently considering this option are Greenwich, Lewisham and Bromley. A number of RPs have already adapted to this approach to fund sheltered housing services.
30. Prior to the introduction of the national Supporting Programme (SP) initiative in 2003 the sheltered warden functions were mainly based around housing management tasks, such as dealing with building and maintenance issues, monitoring rents, dealing with security and anti social behaviour etc., as well as the provision of low level support tasks such as maximising benefits, accessing health and GP services, arranging social activities in the schemes, dealing with visitors and contractors and so on.
31. The Supporting People programme separated out the housing management tasks from the support functions, only continuing to provide funding for functions deemed to be housing related support. This split proved difficult to manage in reality as the wardens continued to work in the traditional ways to meet tenant expectations, however, continuing reductions in staffing levels have made it more difficult to deliver the service required by residents, especially around housing management tasks such as security, dealing with anti social behaviour issues, monitoring visitors to the schemes, managing CCTV, and dealing with the

general upkeep of the schemes and the reporting of individual and communal repairs.

32. All of the funding for the main council sheltered housing service is provided via the Council's Supporting People programme. Overall funding levels have, however, reduced since 2005. The number of schemes has also reduced from 23 to 19. Recently Lew Evans House was remodelled to become an extra care project managed through Health and Adult Social Care. Prior to 2005, tenants enjoyed the benefit of having a dedicated 24 hour warden service for each scheme. Due to high comparative unit costs this service was reduced and a dedicated day warden service was provided at each scheme Mon-Fri 8am-4pm, until 2009. Following a further significant reduction in funding in 2009, the hub and spoke model, outlined in more detail below, was introduced by the council.
33. Support to tenants living in one of the council's sheltered housing schemes is currently delivered by a small in-house team through a hub and spoke model. This means that small teams of 3-4 officers are largely based in 4 hub schemes and provide visiting support to the more vulnerable tenants located in nearby schemes. The hubs have been selected on the basis of geographical proximity to other schemes. The hubs are located at:
 - Silverlock: 23 George Walter Court, Silwood Street, SE16 2BG
 - D'Eynsford: 64 Don Phelan Close SE5 7BB
 - Jack Jones: 12 Reedham Street SE15 4PH
 - Brook Drive: 71-79 Brook Drive, SE11 4TR
34. Support provision is mainly issue led and staff may need to be based in certain schemes for longer periods of time to deal with specific issues that can arise on a day to day basis. This has a knock on effect for tenants in other schemes, where issues are not so pressing; resulting in less staff contact time due to limited resource availability and can, at times, be a matter of concern for tenants. It should be noted that not all tenants are as vulnerable as others or in need of the same level of staff support, on a regular basis.
35. Individual staff visits are made to those tenants who have been assessed a vulnerable or at risk. Tenants who are not in receipt of visits can access staff assistance either by calling at the hub or via drop in surgeries, conducted by staff at their schemes. Surgery times are communicated widely to all tenants.
36. All sheltered flats and communal areas are equipped with pull cords that can be activated to raise an alarm when a crisis situation arises; furthermore, all tenants are issued with pendant alarms that can be worn around the neck or on the wrist and tenants are advised to keep these alarms on their person at all times. This enables them to alert staff when emergency assistance is required.
37. This support is available 24 hours a day 7 days a week. The Southwark Monitoring and Alarm Response Team (SMART) provide the out of hour's emergency response to all sheltered tenants. This service is mainly funded through the housing general fund and part Supporting People funded also (34%).
38. A number of tenants are also in receipt of care packages provided by Adult Social Care and are visited by carers on a regular basis.

The level of savings required

39. The 2010 Spending Review resulted in extensive cuts to the Council's budget. As part of the Council's budget setting process in 2010/11, savings were agreed from the Supporting People programme budget of 50% and the profile of these savings is set out below:

2011/12	£3.6 million
2012/13	£3.0 million
2013/14	£1.8 million

40. The total savings required of the 3 year period are £8.2 million. A significant proportion of the total savings required will be delivered through robust use of the Southwark and Lewisham Supporting People Framework Agreement that is being used to market test and re-commission those existing services that will help deliver the council's wider strategic priorities across housing, health and community services, community services and children's services.
41. Current projections based procurement efficiencies secured to date and on expected future procurement efficiencies programme spend will be reduced to £10,711,720 by April 2014. This would represent a combined and cumulative effect of £5,525,423 against the 2010/11 budget of £16,237,144, which was the reference point for the 3 year savings target. This represents a saving of 34%. It leaves a gap of almost £2.59 million, or 16%, to achieve the 50% savings requirement.
42. Although the above level of savings required could lead to reductions in both Council and housing association sheltered housing support the impact of these reductions can be mitigated by exploring the opportunity of charging tenants for an enhanced housing management service for services which are currently funded via Supporting People. For most residents this would be covered by housing benefit.
43. The Strategic Director of Health and Adult Social Care has been consulted on the contents of this report and comments as follows. If the council is able to save the cost of funding the sheltered housing service by funding it instead through an enhanced housing management model this alleviates some of the pressure on the rest of the Supporting People programme. By way of illustration, we know the gap between efficiencies (which already includes a £300k saving from the council's sheltered housing service) and the 50% Supporting People saving requirement is around £2.59million. If we can increase the savings achieved from funding the council's sheltered housing service through a service charge so that the full costs of the service go into enhanced housing management then that would achieve a further £550k saving reducing the gap to circa £2million. We know we are going to have to reduce services and decommission projects generally across the board to find the remaining £2 million and increasing the savings achieved from sheltered housing could, as an example, mean the difference between a further hostel closure or not and the related impact on the provision of services for homeless households in the borough.

The introduction of a service charge

44. Due to the current financial difficulties, Adult Social Care has identified a savings requirement of 100% from financial year 2013/14. To offset this loss of funding, it

is proposed that the funding for sheltered housing is moved back to the Housing Revenue Account and recouped via an increase in service charges for sheltered tenants. This means that the service model will need to change as the housing related support tasks currently being carried out by the sheltered service will not be eligible for funding under housing benefit criteria. The focus instead will be on enhanced housing management.

The choices that residents might have regarding the level of service charge in relation to the services provided

45. It should be noted that sheltered tenants currently do not pay a service charge within their rent package for the council's sheltered housing service. However, housing benefit guidelines allow tenants to receive funding for service charges within the HRA. Using the criteria outlined in appendix one it is possible that an enhanced housing management service can be delivered to sheltered tenants by re categorising certain tasks away from support and in to housing management i.e. care taking, security, reporting repairs, and health and safety.
46. This is likely to prove to be a more viably acceptable method of service delivery to tenants and may not necessarily entail a reduction in overall service levels. It enables the council to decide whether or not to achieve this by re orientating the service away from support, toward a housing management focus and maintain continuity, through the retention of current staff.
47. Options for future service delivery are set out below. In summary, the options are: to retain the service as currently delivered; to enhance it to provide a resident warden service; or to reduce it to a call out only model.
48. Service charges are assumed at 100% collection rate for tenants on full housing benefit.
49. The three service options are set out in more detail below:

Option 1 – is the restructured current service model (service hubs call out and warden visiting service). This would involve a basic landlord service charge to tenants of £21.91 p/w.

50. This option provides an enhanced housing management service and allows the hub and spoke model to continue providing the existing level of service, with efficiency savings. This service would consist of 1 Team manager, three senior co-ordinators and ten scheme managers, a proportion of the Business Unit Manager, a service manager and administration support. Total of 15.50 staff 1 (staff): 40 (tenants).
51. This would entail a re-categorisation of tasks away from support to housing management. A mini re-structure of the service would be required to take place following consultation with tenants, staff and unions. It is likely to be the most popular option for tenants, in receipt of full housing benefit, however, it may have an impact on access to sheltered housing for older people who are not in receipt of benefits and/or are in employment, but this is expected to be a minimal number of people. Support duties would not be covered with this option.
52. Following consultation this option could be implemented in a relatively short period of time. Redundancy costs for this model are estimated at £35k.

Table

	General Fund £000	HRA £000
Option one - Restructure of current hub service		
Current budget – fixed fee	802	
Service re-provided by HRA		713
Service charge income - rebatable service charge		(713)
approx 71 tenants transitional protection (incl. cash & part HB tenants)	85	
Redundancy costs 2 posts - one off	35	
Net budget requirement 2013/14	116	
Saving in Supporting People support	686	
Loss of support service to tenant at 11%	89	
Weekly levy to tenant £		£21.91

53. Tenants would be levied a service charge of £21.91 per week and is comparable to the service charges made by external providers in paragraph 4.2.

Option 2 – Reduced service model (call out) based on a call out emergency response service only. This would involve a basic landlord service charge to tenants of £6.68 p/w.

54. This model will enable the provision of a very minimal landlord service by sheltered wardens. This model comprises of one senior co-ordinator and three scheme managers only. A total of 4 staff. Staff to tenant ratio of 1 (staff): 150 (tenants).
55. Adult social care will pay for a percentage of tenants during a period of transition. The redundancy costs for 14 staff are estimated at £230k.
56. Remaining staff would provide a minimal level of service and only visit the most vulnerable tenants on occasion. Reliance on the mobile response service and other emergency services would need to increase. There would be no funding for business unit or scheme management and administration.

Table

	General Fund £000	HRA £000
Option two - Call out service only		
Current budget – fixed fee	802	
Service re-provided by HRA		217
Service charge income - rebatable service charge		(217)
approx 71 tenants transitional protection (incl. cash & part HB tenants)	25	
Redundancy costs 13.5 posts - one off	230	
Net budget requirement 2013/14	255	
Saving in Supporting People support	547	
Loss of support service to tenants 73%	585	
Weekly levy to tenant £		6.68

Tenants would be levied a service charge of £6.68 per week

57. Sheltered service managers have noted the high prevalence of sheltered tenants with mobility issues in the council's sheltered housing stock (40%). With a reduced service model, it will be necessary for the SMART service to provide an emergency response to residents who experience a trip or fall, during normal office hours. Currently, the SMART service provided this function on an out of hours basis only to council sheltered tenants but since staffing reductions in 2009 and further reductions now, pressure on the SMART service is likely to increase.
58. In order to provide effective day-time emergency response to all council sheltered tenants alongside the enhanced housing management service, day time emergency response capacity for SMART would need to be enhanced. Without, this support it is increasingly likely that a number of tenants could be at risk of entering residential care or requiring enhanced care packages due to falls or trips. Therefore, any savings achieved through the introduction of a reduced call out service would also need to take account of the budget growth that may be required within the SMART service to accommodate this change.
59. This option could potentially present an income generating opportunity for the council. This could be achieved through the promotion of this model to other sheltered housing providers and local authorities, who are currently downsizing to more basic support models. Initially, any income generated would need to be reinvested in the service to ensure that there is enough capacity to achieve a more self sustaining level. A longer term option would be to explore the possibility of providing the service through a social enterprise, mutual or local authority trading model, resulting in efficiencies and enabling service charges to be kept to minimum levels for sheltered tenants. Obviously, tenants would have to choose this particular service charge option, in the first instance.

Option 3 – Enhanced service model (resident warden) based on site available Monday to Friday from 8 am to 4 pm each day. This would involve a full time landlord service charge to tenants of £32.70 p/w.

Option three - enhanced housing management service provision	General Fund £000	HRA £000
Current budget – fixed fee	802	
Service re-provided by HRA		1,065
Service charge income - rebatable service charge approx 71 tenants transitional protection (incl. cash & part HB tenants)	121	(1,065)
Redundancy costs 1 post - one off	22	
Net budget requirement 2013/14	143	
Saving assuming no SP support	659	
Gain of housing management services to tenant	nil	263
Weekly levy to tenant £		32.70

60. This model will alleviate pressure on area housing offices, enhance rent collection levels, improve health and safety, provide a full time service, better security and mitigate void loss. Tenants will receive a consistent level of service from an on site warden based at each scheme on a daily basis (8am to 4pm). Total 25.5 staff. Staff to tenant ratio 1 (staff): 24 (tenants).
61. It should be noted that this model represents the pre supporting people role of the traditional sheltered housing warden that was originally employed by the

council to provide support and assistance to vulnerable sheltered housing tenants. This model is now becoming increasingly re-adopted by a number of Councils and registered social landlords in the sheltered housing sector.

62. A recent survey carried out by Adult Social Care showed a high level of council tenants who require help with getting housing management and maintenance issues dealt with (31%). Although the review analysis asked the same question of RSL tenants: 'what they most sought help with from the support staff (warden, visiting worker)', RSL tenants did not report similar levels of concern in receiving help with housing management and maintenance issues.
63. An enhanced housing management model would allow the council to better co-ordinate all repairs and maintenance issues for the communal areas in sheltered schemes.

The recommended level of service charge

64. It is recommended that the proposal to make a service charge and the options for future service delivery are subject to consultation with service users, with a final report summarising the outcome of the consultation to go to cabinet for decision on the way forward.
65. Appendix one sets out the type and range of functions that can be funded through the introduction of a service charge. However, the type and range of functions will be dependant upon the level of service charge that the majority of sheltered tenants deem as acceptable. However, models of the levels of service that can be provided, under each of the service charge options, will be issued to tenants as part of the consultation exercise to enable tenants and their representatives to make fully informed decisions about which option is most pertinent to their individual needs and aspirations.
66. It is possible that tenant choices will differ greatly and this will result in the need for further consideration of the implications of this outcome. These considerations are likely to include the setting of variable service charges and rents in certain schemes (or clusters of schemes), provision of differing levels of service and of how sheltered accommodation is allocated, possibly removing a number of schemes from the Council's Choice Based Lettings system, in future years, to ensure that the most vulnerable are placed in the accommodation most appropriate to their needs.

Telecare

67. Although all council sheltered tenants are connected to the basic alarm system, the use of Telecare installations is substantially higher in RSL sheltered schemes than in council sheltered schemes. This equipment can be a key safe or a range of sensors linked to the alarm and home telephone system to keep people safe and independent at home. These include bed sensors, flood and temperature monitors, and equipment to detect falls, movement sensors and medicine reminders. When a sensor is triggered, an alarm is sent to the SMART team who monitor the system remotely and will respond.
68. Within the RSL schemes the Telecare installations are deployed to complement the visiting housing support and other social care services to ensure that older people can remain independent and living in sheltered accommodation as long as possible.

69. The supporting people review clearly identified the important role that the Telecare and SMART services provide within the overall package of support available to ensure older people's independence at home. It is recommended therefore that resources are made available to the SMART team to provide additional Telecare services for tenants in council sheltered schemes as part of their overall package of targeted support. Without investment in telecare for council sheltered tenants the service will be significantly weakened, especially if a reduced service model is chosen, particularly as council sheltered tenants tend to have a higher level of needs as shown in Table 1 above.

Average rents and benchmarking data

70. Average rents paid for sheltered accommodation in Southwark are between £75 -£87 per week, plus additional utility costs which average at £15 -£19 per week. The cost of support is presently paid for by supporting people at £851k per year and is £26.14 per tenant per week.
71. Service charge comparisons are set out below based on a representative cross section of housing associations researched:
- Hyde housing association £33.31
 - David Barker house Salvation Army £24.85
 - Quadrant supported living £28.29
 - Hammersmith and Fulham service charge £20.91
 - Amicus horizon £23.31

N.B. All of the service charges that are listed above are eligible for housing benefit.

Stock condition

72. A sheltered stock options appraisal was conducted in 2003/04. This identified some schemes which were deemed as not being 'fit for purpose' and made recommendations for disposal and conversion of a number of schemes. Two of the schemes identified (Lettsom House and Linden Grove) were decommissioned in 2006 and subsequently converted to general needs housing, whereas a further two (Brook Drive and Marden Square) were the subject of a disposal recommendation, in order to raise funds to re-invest in the remaining stock.
73. This recommendation has not been implemented as the demand for sheltered housing has increased significantly since 2006 and a decision regarding Marden Square was deferred pending a further examination of the options relating to Four Squares, in Bermondsey. It is recommended that the remaining sheltered stock should be subject to an updated options appraisal, especially as demand for both sheltered and extra care housing has increased significantly, in recent years, and that this should also be considered a wider strategic issue by the Housing Commission.

Extra care

74. Adult Social Care has highlighted a significant gap in the provision of extra care housing in the borough to meet increasing demand and this has been identified as a strategic objective in the Older People's Housing Plan. Converting Council owned stock to offer a more enhanced model of sheltered housing or extra care may prove a more cost effective and quicker route to achieving this objective. Furthermore, there is existing in-house expertise in the Housing Adaptations Team who possesses ample experience of surveying properties for minor and major adaptations that assist older and disabled people to live comfortably in their homes. Utilising this team to identify and arrange works to sheltered units with experienced and known contractors is also likely to prove most cost effective. The consideration of new purpose built extra care accommodation will also form part of our plans going forward.

Consultation plan

75. The consultation plan is set out below.

Action	Date	Lead Officer
Letter to Ward Councillors (<i>to include proposals & offer briefing</i>).	January 2012	Adrian Duffy/ Darren Welsh
Letter and survey to sheltered tenants (<i>to include proposals & provide schedule of consultation meetings</i>)	By January 31, 2012	Adrian Duffy
Letter to staff (<i>to include proposals, schedule of consultation meetings & implementation timetable</i>)	By January 31, 2012	Adrian Duffy
Sheltered Tenant Meetings	February to April 2012	Adrian Duffy/Sheltered Mgt Team
Letter to SW Team Managers and all Stakeholder organisations	By January 31, 2012	Adrian Duffy
Attend Southwark Pensioners Forum	tbc	Sheltered Mgt Team
Attend Age Concern	tbc	Sheltered Mgt Team
Area Housing Forums	May to July 2012	Adrian Duffy/ Darren Welsh
Tenants Council	September 2012	Adrian Duffy/Sheltered Mgt Team
Stakeholder Presentation (invite AHOs)	November 2012	Adrian Duffy/Sheltered Mgt Team
Cabinet	December 2012	Darren Welsh
Implement new model	January to March 2013	Adrian Duffy

76. All dates are currently indicative only.
77. Officers will ensure that consultation with the sheltered housing tenants and their representatives on these proposals will be handled sensitively and with due consideration for the concerns of tenants, their families and all other stakeholders.

78. Tenants their families and other representatives will be given every opportunity to comment on and contribute to the re-specification of the service.
79. Sheltered tenants will be kept up to date throughout the whole process and via newsletter dispatches and by way of face to face meetings with relevant managers. Other stakeholders in the service such as staff, trade unions, elected members, supporting people, housing management and health and social care colleagues will also be given the opportunity to comment and contribute to the finer operational details of the proposal to ensure that any new service arrangements are implemented most effectively.
80. Officers will also be liaising with the council's communications team to ensure that the positive aspects of this proposal are highlighted and all key messages are clearly communicated to stakeholders.
81. Tenants, their families and representatives have previously objected strongly to any change in the way the service has been delivered. In 2009, it was extremely important to engage in detailed open and honest consultation that meant that each scheme was visited and proposals were discussed by relevant officers on several occasions. Tenants were also given options in deciding how the service was to be delivered. It will be important that a similar process is followed again to ensure transparency of decision making and full user involvement.

Risk assessment

82. The risks of introducing service charges includes reputational risks and risks around the eligibility of services for housing benefit, introduction of a housing benefit cap, and potential adverse publicity, and challenge by service users.
83. Adult Social Care has agreed to ring fence an element of the savings to offer transitional protection to self-paying tenants. A number of other Local Authorities and RSLs have already adopted this model and following discussions with colleagues in housing finance and the Department for Work and Pensions there is a consensus that these costs will be eligible under current HB criteria. There is, of course, a risk that the criteria may change and the government is currently consulting on proposals to changes in the way that supported and sheltered housing is funded. However, these proposals are not stating specifically what the changes are likely to be and even go as far as to indicate that the proposal to fund sheltered via HB is the likely direction of travel. Current sheltered rents are within proposed HB caps and are likely to remain so, even if increased to fund staff support for tenants.
84. Other concerns are regarding future access to sheltered housing, especially if service charges were to increase prohibitively to exclude non housing benefit eligible households. We currently have 200 applicants on the sheltered housing waiting list and over 50% of these households place bids on a weekly basis. A recent review has established that almost 98% of these households are currently in receipt of HB and therefore increases in service charges are unlikely to be a cause of concern for the large majority of prospective tenants. There are also opportunities for closer working with other services to enable prospective sheltered applicants, who have no recourse to HB (usually living in private sector homes) to benefit by signposting them to services such as the Home Improvement Agency who can offer assistance via grants and loans, secured against the property to carry out adaptations to their homes and/ or SMART who can equip vulnerable elders with assistive technology (telecare) that can provide

them with an emergency response service and promote reassurance to enable older people to continue to live in their own homes.

Long-term strategy

85. The proposals that are contained within this report are consistent with what other local authorities and housing associations are doing to deliver the savings in response to reductions in Supporting People funding.
86. The current proposals are only short to medium term pending a more detailed strategic review of housing borough wide which is currently planned through the establishment of an inter departmental Sheltered Housing Review group.
87. Future proposals may include the potential conversion of current sheltered housing units to extra care units, the possible disposal of schemes that no longer meet the needs of older people, with the proceeds reinvested in the improvement of the remaining sheltered housing stock, removal of some schemes from the Council's Choice Based Lettings scheme, setting of varying service charges/rents in different schemes (clusters of schemes) and models of service delivery.
88. The proposals that are within this report are incorporated within and aligned to the Older Persons Housing Strategy Action Plan, which is to be considered by Cabinet.

Community impact statement

89. No decision has yet been made. The consultation that it is proposed will be undertaken will inform the options and the analysis of the equalities implications. A detailed community impact assessment will be undertaken following the consultation, when a recommendation for future service delivery has been identified.
90. The council will actively work to mitigate any detrimental impact of these proposals vulnerable households.
91. We are aware of the implications of this proposal for self paying tenants and those, not in receipt of benefits, who wish to access Council sheltered housing. These issues will be assessed on an ongoing basis throughout the consultations and mitigating actions will be identified and agreed, to minimise or eliminate any negative impact. An example of this is the agreed transitional protection funded by Adult Social Care for tenants who are self paying their rent charges, in part or full, from April 2013.
92. Adult Health and Social care have offered transitional protection funding only for tenants whom currently receive support. All new tenants coming in to the sheltered schemes will not receive support in this way.
93. The implementation of an enhanced housing management model offers the Council the opportunity to deliver a significant proportion of the savings gap within the Supporting People programme budget savings. In doing so it mitigates against the need to consider decommissioning in other service areas of the programme and depending on the preferred option presented in this paper it could enable broadly the same level of service to current residents to continue albeit through an alternative funding model.

94. In addition the implementation of an enhanced housing management model could enable the Council to develop a more personalised and individually focused approach to meeting any additional care and support needs of residents, for example through personal budgets for personal care, targeted preventative support and increased use of assistive technology.
95. Adult Health and Social care have offered transitional protection funding only for existing tenants who are not entitled to Housing Benefit to off set the potential financial impact of the introduction of a service charge. All new tenants choosing to live in sheltered housing would not be entitled to transitional protection and the rent and service charge level will need to be clearly explained at the point of application for sheltered housing so that individuals can make an informed choice.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director for Communities, Law & Governance

96. As a result of the proposed reduction in supporting people funding, the report seeks members agreement that tenants in council sheltered accommodation be consulted on options for the future provision of the sheltered warden service and the proposed introduction of a service charge.
97. 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.
98. Under Section 105 of the Housing Act 1985, the council is under a duty to consult secure tenants likely to be affected substantially by a matter of housing management. The statutory definition of housing management includes matters which in the opinion of the landlord relates to the provision of services or amenities in connection with dwellings. Although the consultation requirement in section 105 does not apply in so far as it relates to the rent payable under a secure tenancy or to charges for services or facilities provided by the authority, a change in the provision of the sheltered warden service may substantially affect tenants occupying council sheltered accommodation and therefore engage the statutory duty to consult. Also the council has undertaken in its terms and conditions of tenancy to consult with the Tenant Council, 'before seeking to vary the sums payable for rents and other charges'.
99. To meet legal requirements consultation must be undertaken when proposals are still at a formative stage; it must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposals and formulate a response; it must allow adequate time for interested parties to consider proposals and formulate their response and the outcome of consultation must be conscientiously taken into account when the ultimate decision is taken.
100. The report confirms that consultation is planned with those tenants likely to be affected by the proposals, Tenants Council and other interested tenant and other

organisations and individuals. A timetable incorporating the consultation plan is set out in the report.

101. The public sector Equality Duty, in section 149 of the Equality Act 2010, requires the council to consider all individuals when carrying out their functions; this includes delivering services and in relation to their own employees. It requires the council to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. Officers will need to bear the duty in mind during the consultation process and when formulating recommendations to cabinet for final decision making. Members must have due regard to the duty when the matter is referred back to cabinet for decision following consultation.
102. If a decision is made to introduce a service charge the law requires that tenants be notified by service of a notice at least 28 days before it takes effect. Officers will therefore need to ensure that the consultation and decision making timetable provides sufficient time to deal with this requirement.
103. Residents of sheltered accommodation are a vulnerable client group; the report indicates that a number of tenants are also in receipt of care packages provided by Adult Social Care. The council should keep in mind its duty in section 47 of the National Health Service and Community Care Act 1990 to carry out community care assessments particularly if reshaping or reduction of services provided to sheltered housing residents becomes a likely recommendation following consultation.
104. The options set out in the report, if implemented, are likely to have an impact on council employees working in the warden service. Managers must ensure full consultation with staff and trade unions and the final proposals must be implemented in a manner fully compliant with the council's re-organisation, redeployment and redundancy procedure.

Finance Director

105. This report outlines the options under consideration for financing the sheltered Warden Service from 1 April 2013.
106. Due to the need for a reasonable lead time for implementation of a new service, it is proposed that supporting people will continue to fund the current sheltered warden service at a fixed fee of £802k until the end of financial year 2012-13.
107. Thereafter, proposals to provide a re-modelled service using enhanced housing management support as the main service is under consideration from one of the three options identified above.
108. Tenants will be charged for this warden service through the housing revenue account in the form of a weekly service charge. All three options detailed are to be consulted upon during the coming months and a selected model will become operational, subject to consultation from 1 April 2013.
109. Across the borough, there are 19 Schemes in use with 626 sheltered housing units, all accommodation will be levied a rebatable service charge.
110. **Option one** is the restructured hub style service and will be supported by 15.5 staff, costing £21.91 service charge per week. As this service involves

remodelling away from the current service, 2 staff will not be required and therefore redundant at an estimated cost of £35k. This cost will fall to supporting people in financial year 2013.

111. **Option two** is a basic call out service only and tenants will be charged £6.68 per week to respond to all types of enhanced housing management emergencies. A structure of 4 staff working across all units is required. This option means 14 of the current staff will not be required and will be redundant costing supporting people an estimated £230k.
112. **Option three** is an enhanced warden service costing tenants £32.70 per week. Full time housing management support will be available with 25.5 staff. One officer will be redundant and not required from the current service due to restructuring a one off cost to supporting people is estimated at £22k.
113. The housing revenue account is a ring fenced account and guidelines on which services are chargeable to the account have been considered in depth. Consideration of housing benefit guidelines on what is eligible within the HRA is included within all three models above.
114. Appendix 1 outlines the housing benefit eligible housing management tasks.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Older Person Housing Action Plan	160 Tooley Street, SE1 2QH	Claire Linnane, Housing Strategy & Partnerships Manager Tel: 020 7525 0732

APPENDICES

No.	Title
Appendix 1	Housing Benefit eligible housing management tasks
Appendix 2	Extra Care Housing

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management Councillor Dora Dixon-Fyle, Health and Adult Social Care	
Lead Officers	Gerri Scott, Strategic Director of Housing Services Susannah White, Strategic Director of Health and Community Services	
Report Author	Darren Welsh – Head of Community Housing Services Sarah McClinton – Deputy Director, Health and Community Services	
Version	Final	
Dated	13 January 2012	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director for Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Strategic Director of Health and Community Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	13 January 2012	

Sheltered Housing Service Re-modelling
Housing Benefit eligible housing management tasks

Eligible Area per draft HB guidelines	Detail/description
Wardens and caretakers	For the time spent providing eligible accommodation related services as opposed to support services. This could include: Reporting of cleaning, health and safety and any communal issues.
Portering	This would include concierge type roles which ensure the security of the scheme.
Entry phones	Repair and maintenance. For wardens ordering, repairs, maintenance.
Security and CCTV equipment	Including maintenance & depreciation of burglar alarms and security lighting
Refuse removal	Management of same and also ensuring that bin areas are secure and kept clean.
Minor maintenance and repairs	In the case of sheltered accommodation as they relate to the particular additional upkeep required to maintain accommodation to a good and safe standard
Internal decorations	For items in communal areas. For wardens organising same.
Servicing	Including fire alarm installation, fire fighting equipment, servicing of disabled equipment, full test of electrical systems
Lift maintenance and repair	For warden ensuring that maintenance is undertaken and reporting repairs that are required.
Communal phone charges	
Paying and monitoring of fuel charges	Heating and lighting of communal areas
Cleaning of communal areas	For wardens organising, ordering and monitoring same
Cleaning of communal windows	For wardens organising, ordering and monitoring same
Gardening	For wardens organising, ordering and monitoring same and dealing with any health and safety matters that may arise. Includes pesticides and pest control

Eligible Area per draft HB guidelines	Detail/description
Upkeep of laundry facilities	For wardens organising, ordering (maintenance and repair) and monitoring same
Use of furniture and household equipment	Providing it will not become the tenants property. For warden this would include buying new communal furniture, floor covering and white goods and dealing with and ordering repairs.
Health and safety	Including fire safety issues (Warden call testing and weekly fire testing in schemes)
Contents insurance	Of communal items. For wardens this might mean ensuring that contents in communal areas are insured and advising on personal possessions insurance
Scheme emergencies	E.g. securing a scheme after a burglary.
House rules and meetings	Meaning for sheltered wardens additional activities in relation to consultation that might be involved in managing a sheltered scheme (e.g. regarding internal decorations, health and safety, new communal furniture). This would also include "sign up" active
Consultation and communication	Including distribution of leaflets relating to the activities of the managing organisation (including writing and providing minutes, and co coordinating provision of content for newsletters).
Accompanies viewings	Where this sits outside normal arrangements for viewing of lettable accommodation.
Managing guest rooms	Including logging use and completing required paperwork. Note: this is an item which is subject to ongoing discussion with the Housing Benefit Service as to whether it is an HB eligible service.
TV licensing	In communal areas

Sheltered Housing Service Remodelling

Extra Care Housing

What is extra care?

Extra care sheltered housing is being promoted nationally by older people's organisations and central and local government bodies, as a means of providing a more personalised and cost effective model to residential care for frail older people. It is a form of supported housing which meets flexibly care, support and housing needs. It allows older people who may have a high degree of disability and poor health, who may otherwise be placed in institutionalised residential care services, to continue to live independently in the community. Personalised 24 hour care and support is provided on site, through an integrated team of staff based within the extra care setting. Community alarms and other forms of assisted technology are also deployed as required, dependent upon each individual's need. As personal care is administered on site (unlike in traditional sheltered housing), the service provider is required to be registered with the Care Quality Commission.

Care and support in extra care is delivered in the older person's own home as assessed through a care plan. The care plan and the means of delivering the care and support within an extra care setting, allows for a high level of flexibility to enable the staff to respond holistically and immediately to any temporary and unpredictable fluctuations in need of any tenant. It is also possible to respond to general emergencies as waking staff are on site 24 hours per day. Eligibility for extra care is linked to an integrated assessment of needs, determined by Fair Access to Care Criteria and Housing criteria.

The 'added value of extra care' is the sense of community and well being for older people it fosters, whilst providing a cost effective option for the council.

Due to the frailty of the residents of extra care, the physical design of the building is required to be of a different specification than that of general needs sheltered housing. This includes additional features to those found in life time home standards, such as enhanced mobility access, assisted bathing facilities with provision for hoists etc, storage for equipment, space to host health care professionals and communal space to foster well being and social activities with the residents. In order for the extra care to run as cost effectively as possible, the optimum number of flats would be in the region of 40 – 50 units per scheme.

Increasingly extra care housing is being seen as a positive option for supporting people to "live well" with dementia. The importance of flexible care packages and the opportunities offered by assistive technology and telecare enables service users with dementia to remain independent for longer and helps with the management of risks and their safety. Any extra care housing development would be one of "normalisation" and tailored to meet the needs of service users with dementia with colour coded designs and assistive technology, and staff who are specifically trained to provide care and support.

Current Provision in the Borough

Southwark currently has 2 extra care sheltered developments, providing 92 self contained flats. This is less than most comparable boroughs. (For example Lambeth currently has 150 units in 4 schemes, with a fifth providing an additional 50 flats opening in April 2012) The details of the schemes in Southwark are as follows:

- **Lime Tree House** is a purpose built extra care sheltered Housing Unit that is owned and managed by Hyde Housing Association. The scheme has 54 units.
- **Lew Evans** in 2006, capital funding was obtained from the Department of Health for the redevelopment of the sheltered housing scheme for extra care at Lew Evans. Refurbishment works were completed in 2009. This is a 38 bed unit owned and managed by Southwark Council. Although the extra care service is provided by a third party organisation, the tenants retain their full housing rights as a council tenant.

The service at Lime Tree House and Lew Evans provide integrated care and support, which accommodates the needs of older people and offers an alternative to residential and nursing care. A feature of these local services is:

- A dedicated care team that responds to service users' care requirements immediately, including waking night cover.
- Housing related support provided throughout the day by a team of support workers.
- Assisted Technology- Telecare, SMART community alarms monitoring and response during out- of- hours
- Design features such as assisted bathing facilities
- A variety of activities including promoting healthy living among older people
- The schemes also in work partnership with other local community groups and the health sector and older people living locally do participate in some of the activities.
- High quality care for those approaching the end of life

How it is funded and what does it cost?

In October 2011 the council entered into a three year contract with an independent sector provider, for the provision of an integrated care and support service for both schemes. The contract value is £837,135 per annum. This equates to a unit cost in Southwark for extra care housing of approximately **£160** per week. This is significantly below what the council pays for residential care accommodation, which averages at between **£330 -£627** per week (depending upon the need of the older person and the contracting arrangements with the provider.)

Residents of extra care continue to maintain their own tenancy. Subsequently they are able to claim housing benefit (if eligible) so the council is not required to meet the accommodation costs of the older person, as is the case in residential care. As the resident also retains their own pension, similarly their heating and meals costs are met by the tenant themselves.

Future Model in Southwark

We know that the majority of older people do not wish to live in residential care unless absolutely necessary. This is what our social workers are told and what older people when consulted say. A survey undertaken amongst our older residents on behalf of the council by DEMOS in 2010, clearly demonstrated that locally, older people did not wish to receive their care in a institutional care setting. Avoidance of unnecessary residential care placements is a key feature of the Council's Future Vision for Social Care, agreed by the Cabinet in April 2011.

Promoting the independence of the older person is central to the ethos of extra care housing. This means supporting the elderly residents to take as much control over their life as possible. Extra care housing differs significantly from the more institutional and potentially disempowering environment of a registered care home. In extra care, the older person retains their own pension, keeps their furniture and personal belongings in their own self contained flat, can have visitors to stay and subsequently exercises a far greater level of control as to how they choose to live their life.

The Southwark Housing Strategy 2009 to 2016, Older People's Delivery Plan sets the development of further extra care schemes as a key priority for the borough in the coming years. It sets a target of *at least* 150 additional units during the lifetime of the strategy. These will be in the social housing sector.

The private sector in other parts of the country is building leasehold extra care schemes for sale to older people. However the housing tenure of our older population does not make reliance upon the private sector as a realistic option in Southwark to achieve the number of extra care units required. 60% of over 60 year olds live in social housing, and only 33% are owner occupiers (Compared to 76% nationally) Extra care housing within the social housing sector, will however continue to be able to accommodate elderly owner occupiers, should their personal circumstances necessitate such a move.

Therefore the council is looking at various other options to increase the supply of extra care, most notably new build through major existing regeneration initiatives in the borough, working with residential care providers to re develop into extra care and through the reconfiguration of suitable existing general needs sheltered schemes.

Any new build extra care schemes, could also include a number of health and social care services co-located within a scheme development, for example intermediate care or rehabilitation services, a rapid response nursing team, GP surgeries and health clinics, day time activities, restaurant and leisure facilities with a mini bus or other flexible transport assistance for service users and which may serve the wider community.

Personalised Service

Currently in Southwark the two existing schemes is provided by an onsite provider from a number of contracted hours through a block contract. In the context of Putting People First and the "personalisation agenda" in particular the introduction of personal/individual budget and an increased emphasis on personally tailored outcome focused service will have an important impact on future extra care settings.

Even in models that use block contracts there is much more scope in extra care than in general needs housing, in terms of choice and control, truly personalised assessments and support planning and outcome focused for the service user.

Personal budgets or direct payments (one form of personal budget) can be used to purchase the onsite block contracted service or to purchase service and activities from else where. Personal budgets could also be pooled to co-develop a service with other service users. This enables the service users to shape the service they receive, their cost and who provides them.

Most local authorities have not yet introduced resource allocation systems and personal budget to service users considering a move to extra care housing. As a council we are aware this needs to happen and we are developing systems to implement this locally.

Item No. 12.	Classification: Open	Date: 24 January 2012	Meeting Name: Cabinet
Report title:		Thames Tunnel – Response to Phase Two Public Consultation	
Ward(s) or groups affected:		Cathedrals Ward, Riverside Ward, Rotherhithe Ward, Surrey Docks Ward	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

This report sets out the proposed response from the council to Thames Water’s latest consultation on the preferred route and site for the Thames Tideway Tunnel – aka the Super Sewer.

Whilst recognising the importance of reducing the amount of sewage that reaches the Thames, Southwark Council has significant concerns over the current proposals from Thames Water. We support the recommendations of the Selborne Commission that the full-length tunnel proposal should be reconsidered.

We strongly object to the use of Chambers Wharf as a shaft construction site and have strong concerns about the works proposed at the Shad Thames Pumping Station and Earl Pumping Station. We also continue to oppose the use of King Stairs Gardens and the Druid Street playground which remain as possible alternative sites in Thames Water's plans.

RECOMMENDATIONS

1. That cabinet agrees the response to the consultation by Thames Water on the proposed preferred route and sites for the Thames Tideway Tunnel (Appendix A).
2. That the cabinet notes that the Leader will make any final amendments to and sign the council’s response to Thames Water (Appendix A).

BACKGROUND INFORMATION

3. Thames Water is consulting on its second stage of public consultation in relation to the proposed Thames Tideway Tunnel preferred route and selection of sites. This report sets out the relevant background to the proposals and relevant considerations for members in agreeing the council’s consultation response.
4. The Thames Tideway Tunnel is a proposal by Thames Water to construct a large sewerage tunnel along the route of the River Thames to help clean up the river. Thames Water states that in an average year, 39 million cubic metres of untreated sewage overflows into the Thames through London’s combined sewer overflows (CSOs). Thames Water needs to address this issue to comply with the EU Urban Waste Water Directive.

5. Thames Water previously consulted on the first stage of public consultation in September 2010, this consultation set out the preferred tunnel route and sites. The preferred tunnel route at the time included a main reception site at King's Stairs Gardens and a smaller Combined Sewer Overflow (CSO) site at Alfred Salter Playground on the St John's Estate. Southwark council responded to the consultation objecting to the use of these two sites.
6. Following a review of the tunnelling strategy, Thames Water is now re-consulting on their preferred route and providing further details about proposals for individual sites. The preferred route remains the "Abbey Mills" route (see Appendix B), which is largely the same route as the one identified in the Phase One public consultation.
7. However, following a reassessment of available sites, Chambers Wharf has been identified as the preferred site for a main tunnel shaft. King's Stairs Gardens remains a possible site, but is not preferred. It is envisaged that Thames Water will drive towards Chambers Wharf from Battersea and drive from Chambers Wharf to Abbey Mills. Material which is extracted from the tunnel between Chambers Wharf and Abbey Mills will be extracted from the Chambers Wharf shaft. This is change to the tunnelling strategy. At the first stage of consultation it was envisaged that tunnels would be driven from east and west towards King Stairs Gardens. However, Thames Water report that due to difficulties associated with moving the excavated material off-site by river at Abbey Mills, it has been concluded that it is preferable to use this site to receive the main tunnel, rather than as a drive site.
8. With regard to combined sewer overflows Alfred Salter Playground is still a shortlisted site for a shaft to intercept the Shad Thames CSO. However, Thames Water's preferred solution for addressing this CSO is to install pumps in the pumping station on Maguire Street which can hold sewage in the system during a storm and release it back to existing tunnels in the aftermath.
9. It is also proposed to drive towards Chambers Wharf from Greenwich pumping station to intercept CSOs in Deptford, Greenwich and the Earl Pumping station off Plough Way (in LB Lewisham).
10. Thames Water will take into account comments made during this round of consultation in preparing the Development Consent Order (DSO) application. Consultation on the DSO is due to take place in mid 2012 and it will be submitted to the Major Infrastructure Planning Unit (MIPU) in late 2012. Southwark will be invited to provide formal observations on the application. Public hearings will be held during 2013 and final approval of the scheme will rest with the Secretary of State whose decision will be made predominantly in accordance with the National Policy Statement on Waste Water designated under *section 5(2)*, of the 2008 Act (NPS). The NPS is currently in draft form and subject to ongoing consultation but notably includes reference to the need for the Thames Tideway Tunnel. If approved, construction of the tunnel would start in 2016 and the project is due to be completed by 2022/23.

Consultation

11. Thames Water is currently undertaking their phase two public consultation from 4 November 2011 until 10 February 2012. At this stage the council is being consulted on the preferred route and the revised selection of sites. This includes further detailed issues around design and mitigation measures then were considered previously.
12. Southwark was consulted by Thames Water in 2008 on its site selection methodology and again in December 2009 on possible shaft construction sites in Southwark. In its response, Southwark eliminated a number of sites, including the forecourt to Tate Modern and Potters Field Park and coach park as being unacceptable. Southwark devised criteria and ranked Thames Water's remaining short and long listed sites in order of preference. King's Stairs Gardens was the least preferred option.
13. In September 2010, Thames Water commenced their first stage of public consultation on the preferred tunnel route and sites. The preferred tunnel route included a main reception site at King's Stairs Gardens and a smaller CSO site at Alfred Salter Playground on the St John's Estate. Southwark Council responded to the consultation objecting to the use of these two sites.

KEY ISSUES FOR CONSIDERATION

Principle of the tunnel

14. On 4 July 2011, five London boroughs (Hammersmith and Fulham, Kensington and Chelsea, Richmond, Southwark and Tower Hamlets) came together to sponsor an independent commission to carry out a review of the proposed Thames Tunnel.
15. This commission was informed by the Environment, Food and Rural Affairs (EFRA) Committee's response to Defra's draft National Policy Statement on Waste Water, which highlighted the lack of information available to the committee on alternative options to the Thames Tunnel. The concerns of the EFRA Committee, and those who submitted evidence to the committee's inquiry into the NPS, made clear the need for an independent review of the various options for dealing with London's waste water, within the wider context of water management across the capital.
16. The aim and purpose of the Thames Tunnel Commission was fourfold:
 - Review the findings of previous studies relating to the Thames Tunnel and reassess the assumptions made in those studies in the light of subsequent research and more up-to-date scientific knowledge;
 - Examine the recent responses of other world cities to the problems of pollution, flooding and potential water shortages;
 - Consider evidence from stakeholders, experts in the field and other interested parties;
 - Reassess the options for addressing EU Directive 91/271/EC in the light of developing international perspectives on waste water management and in the light of the recent EU White Paper on Adaptation and Surface Water Management.

17. The report of the commission published in October 2011 strongly recommended that the Ministerial request to Thames Water to pursue a full-length tunnel should be reconsidered. This would enable the full range of 'best technical knowledge' options available to manage storm water to be evaluated and given equal consideration to the tunnel option.
18. The commission also encouraged Defra to recommend to the EU that there is a need for an environmental and economic reassessment to ensure not only that storm water overflow issues are addressed but also that flooding and wider societal benefits are considered and that the options pursued do not entail excessive cost for the benefits accrued in today's economic climate.
19. It was found by the commission that that the alternative options to a full length tunnel have never been adequately tested, especially where such alternatives can deliver more than the mono-benefit of combined sewer overflow spill reduction that the tunnel will provide. These options include reducing flows by separation, by green infrastructure, by the construction of local detached sewage treatment works, by the construction of distributed storage and by the enhancement of the existing sewerage network, thereby allowing a partial tunnel solution at a lower cost or even a non-tunnel solution.
20. On the basis of the findings of the commission, Southwark should dispute the need for the tunnel until there has been an environmental and economic reassessment of the proposal. Furthermore, in the light of the findings, Southwark should dispute the full-length storage tunnel option as the best possible means of meeting the requirements of the Urban Waste Water Treatment Directive considering that other technical options may be as viable and more cost-effective.
21. As per the findings of the commission, Southwark should raise serious concerns about the escalating costs of the Thames Tunnel and the impact this will have on customers, pushing a significant proportion of Thames Water bill payers into water poverty.
22. It should be noted that the National Policy Statement (NPS) on Waste Water should not pre-empt the role of the planning process to determine whether the Thames Tunnel meets the criteria for major waste water developments.

Chambers Wharf

23. The location of the site is shown in Appendix C. Chambers Wharf is a cleared re-development site that has planning permission for residential development; part of the site is also located within the foreshore of the River Thames. Loftie Street is to the east of the site with Chambers Street to the south, beyond which is a development site where residential properties are proposed. Luna House and Axis Court apartment blocks are to the west with St. Michael's Roman Catholic Secondary School to the south west and Riverside Primary School to the south east. The site is adjacent to the St Saviour's Dock Conservation Area.
24. Thames Water is proposing that Chambers Wharf is used as a main tunnel drive site as an alternative to King's Stairs Gardens. Construction on site is likely to take approximately 6 years. Activities required to construct the main tunnel would include excavating a shaft approximately 57m deep with an internal diameter of approximately 25m. Once completed a tunnel boring machine would be lowered into the shaft and would drive the main tunnel to Abbey Mills Pumping Station.

Excavated material from the tunnel drive would be removed from the shaft and taken off site. The same shaft would also receive the tunnel boring machines from both Kirtling Street (Battersea) and Greenwich Pumping Station which would be dismantled and removed from the site.

25. Typical working hours are expected to be 8am-6pm weekdays, 8am-1pm Saturday as standard, 6pm-10pm weekdays, 1pm-5pm Saturdays as an extended standard and 24 hours a day, seven days a week for activities taking place below ground or within an enclosure.
26. Thames Water propose to use barges to transport the material to fill the cofferdam and excavated material from the tunnel. However, Thames Water consider it is not generally practical and cost effective to transport all materials to and from the site by barge so some materials would still require transportation by road. Each barge used would remove approximately 85 lorries from the road. Using barges at this site would reduce the number of lorry visits to / from this site by approximately 60% (saving 53,000 lorry visits over the construction period of approximately six years). Even so, it is anticipated that the site would require up to 90 lorry movements per day depending on the stage of construction.
27. Construction traffic would access the site from Jamaica Road (A200), travelling along Bevington Street and turning right into the site from an existing entrance on Chambers Street. Traffic would leave the site via the same route. Thames Water may need to suspend or relocate some parking bays on Chambers Street during construction. The Thames Path currently runs around the site and would remain open throughout the construction works. Based on the current design, Thames Water does not anticipate that any footpath or road diversions, junction changes or bus stop relocations would be required.
28. The permanent works left on the site are stated to incorporate functional elements, which are required for the operation of the tunnel. These include:
 - Underground structures with ground level access covers including: a main tunnel shaft with an internal diameter of approximately 25m and a passive filter chamber.
 - Two ventilation columns up to 6m high.
 - Maintenance vehicle access.
 - An electrical and control kiosk.
29. Once the tunnel is operational, Thames Water would need access to the site for inspection and maintenance purposes. Thames Water would need to visit the site approximately once every three to six months to carry out inspections and maintenance of the ventilation equipment. Once every ten years, Thames Water would also need to carry out a major internal inspection of the tunnel and underground structures. This is likely to involve a small team of inspection staff, a small team of support crew and two mobile cranes to lower the team and inspection vehicle into the shaft. This is likely to take several weeks, and would require temporary fencing around the shaft for safety and security while the inspection takes place.
30. Thames Water's case for selecting Chambers Wharf as a preferred site identifies that it is a brownfield site and has good access to the River Thames, which would allow the removal of excavated material and delivery of construction materials to site via barge. The site would not cause disruption to the Thames

Path because it is already diverted around the site, so no diversion works would be required. Other than impacting on the timescale for development Thames Water state that the proposal would not interfere with the future redevelopment plans for this cleared site.

31. Officers recommend that the council objects to the use of Chambers Wharf as a main tunnel drive shaft for the reasons set out in the consultation response (Appendix A) and summarised below.

Noise and vibration

32. Chambers Wharf is in a mixed-use area with residential developments in close proximity and as such a construction site is likely to have a harmful impact on the amenity of surrounding residents. The increased time frame for development at this site resulting from the Thames Tunnel construction would have an unacceptable impact on neighbouring residents in terms of noise, disruption and loss of visual amenity.
33. There are also likely to be adverse implications, both in terms of disturbance and safety issues for the existing primary school located on Bevington Street in close proximity to the site. The council does not accept the method by which the schools are assessed against the ambient noise as indicated by the London noise maps; the criteria should be based on the baseline noise data.
34. Future proposals will need to clearly demonstrate how the works can operate without detriment to the operation, safety of children and learning conditions at the school.
35. The proposal is contrary Policy 3.2 of the Southwark Plan which seeks to ensure that development does not result in a loss of amenity, including disturbance from noise, to present or future occupiers in the surrounding area or on the application site.

Design and visual appearance

36. The proposed works will result in the need for amendments to the permitted scheme for residential development at Chambers Wharf to the north of Chambers Street. The extent to which the proposal can co-exist with the consented residential scheme on Chambers Wharf remains to be demonstrated through detailed design. At present the council has reservations.
37. The hoardings to be maintained during the construction period will affect views upstream and in particular significant views of Tower Bridge to the west from the public footway. Careful consideration should be given to the design and finish of the proposed hoardings and the design of the hoarding to the river's edge.
38. The 'Dolphin' is an historic river structure located immediately to the east of the wharf for the duration of the works. Careful consideration should be given to the proposed use of barges to service the site and the works that will be required to the shoreline of the River. The proposals must ensure that the 'Dolphin' is properly safeguarded and protected during the construction programme.
39. A detailed condition survey should be carried out of all heritage assets and residential properties that could be affected by the tunnelling works. The detailed condition survey should be retained for the duration of the works.

40. The design of the proposed vents is sensitive. These will be very prominent on the river walk and will become significant landmarks in the area. Their design should be developed more along the lines of sculptures than utilitarian vents.

Thames policy area

41. Chambers Wharf is located in the Thames Policy Area (TPA). The purpose of the Thames Policy Area is to recognise the role of the Thames in maintaining London as an exemplary, sustainable world city. Chambers Wharf comprises one of few development opportunities which has a river frontage in Southwark and plays an important part in enabling Southwark to attract investment and meet the housing need of the borough. The site has planning permission and if it were not for the tunnel proposal it would be available for development. If the tunnel proposal goes ahead, the part of the site which fronts the Thames will not become available for development until 2022/23, blighting the regeneration of this part of the borough.
42. In view of this, the proposal is not consistent with Policy 3.29 of the Southwark Plan, Core Strategy policy 12 or London Plan policy 4C.6 which seek to ensure that character of the TPA is protected and enhanced.

Heritage

43. Chambers Wharf is adjacent to St Saviour's Dock conservation area. Use of the site as a construction site would harm the heritage and conservation value of the area contrary to Southwark Plan policy 3.15, 3.18 and Core Strategy policy 12.
44. The use of Chambers Wharf as a construction site is likely to be detrimental impact on the setting of the listed and locally listed buildings / structures close to the site. Riverside School and Bermondsey Wall West are both grade II listed and their settings would be compromised by the proposal.

Archeological priority zone

45. It should be noted that Chambers Wharf is located within an archeological priority zone. Southwark would expect any planning application to be accompanied by an archeological assessment, evaluation of the impact of development and mitigation measures. Failure to demonstrate adequate mitigation of impacts would be contrary to Southwark Plan policy 3.19 and London Plan policy 4B.15.

Open space

46. It should be noted that Chambers Wharf is close to Cherry Gardens which is an open space protected as borough open land. It is an open space of borough importance and has the second highest level of policy protection afforded to greenfield sites. Any development on Chambers Wharf will need to demonstrate that there are no negative impacts on the nearby open space and its quality and value to the community for recreation and leisure purposes.

Nature conservation

47. The River Thames is the borough's largest site of importance for nature conservation and the site itself may have some habitats or species of value for nature conservation. Any development on Chambers Wharf will need to

demonstrate that there are no negative impacts on the ecological value of the River Thames or the site itself.

Transport and movement

48. The council is concerned about the high number of goods vehicles assumed to use the road network and the effect these will have on residential amenity, pedestrian and cyclist safety and road capacity generally, both locally and in relation to the cumulative impact of construction traffic on strategic roads. In order to minimise this, every effort should be made to transport fill, excavated material and construction elements by river. The council would expect this objective to override any commercial considerations.
49. Notwithstanding the above, it is recognised that there will be a requirement for goods vehicle movements. This raises concerns, as identified in the PEIR, on the safety of pedestrians and cyclists and particularly in relation to school children. The relocation of parking should also be assessed in the light of parking occupancy surveys, but it will be necessary to ensure that all current parking needs are accommodated. The council would wish to be assured that secure cycle parking will be provided on site.
50. For travel on the road network, the council considers the A200 for access to the A2 to be more appropriate than the A2208, since the A200 is part of the Strategic Road Network and that these are more appropriate than routes to the north/west, for reasons of road safety and traffic congestion.

Shad Thames pumping station

51. Thames Water has now established that there is no longer a need to connect the Shad Thames pumping station CSO to the main tunnel. Instead it is proposed that storm flows are managed by utilising existing storage in the sewers upstream of the pumping station and implementing works at Shad Thames pumping station to inhibit it from pumping flows from the CSO into the River Thames. After a storm, new pumps would be used to return stored sewage to the local sewerage system. In extreme storm events, the existing pumps in Shad Thames pumping station would be used to discharge storm flows to the River Thames.
52. The works to the Maguire Street pumping station would last approximately one and a half years in total and would be undertaken during typical standard working hours. The majority of works are to be conducted within our existing property boundary. The works consist of:
 - Modifications to the pumps and internal pipe work including excavation within the pumping station.
 - Demolition of the existing three storey facilities building behind the existing pumping station.
 - Construction of new electrical equipment building in place of the facilities building.
 - Provision of new pumps.
 - Modifications to the existing sewers within Maguire Street outside of the pumping station.
 - Construction of a new vehicle access to Maguire Street and alterations to the front of the existing building.

53. Typical working hours are expected to be 8am-6pm weekdays, 8am-1pm Saturday.
54. Thames Water would transport materials to and from the site by road. Construction traffic would access the site from Jamaica Road (A200), Shad Thames and Maguire Street. Traffic leaving the site would turn right from Maguire Street into Gainsford Street, left into Lafore Street and left onto Tooley Street (A200). Beyond this, construction traffic would use the major road network to get to and from its final destination. As yet there is no information on the number of lorry trips that would be necessary to serve the site. Thames Water may need to suspend or relocate some parking bays on Maguire Street during construction. Footpath and road diversions would also be undertaken on the west side of Shad Thames during the pumping station work and across its full width whilst works are undertaken in Maguire Street.

Impact on residential amenity

55. The location of the site is within a mixed-use area with predominantly residential and office uses. There are a number of residential properties in close proximity and, as such, a construction site is likely to have a harmful impact on the amenity of surrounding residents. Construction of the Thames Tunnel would have a negative impact on neighbouring residents from noise, disruption and loss of visual amenity. This is contrary to Southwark Plan policy 3.2 which seeks to protect the amenity of an area and the quality of life for people living, working or visiting the borough.

Design and visual impact

56. This site is located within the St Saviour's Dock Conservation Area. Without prejudice to the council's objection to the proposal, further discussion should take place in connection with the demolition of an existing section of the pumping station building and the acceptability of the design of the three storey extension along with other alterations to the building including the new vehicular access doors on the front elevation.

Heritage

57. Shad Thames Pumping Station is within Tower Bridge conservation area. There are listed and locally listed buildings close to the site, including 29 Shad Thames and Anise warehouse which are both grade II listed. Any proposals for development which impact on heritage assets should seek to enhance or preserve the heritage assets or their setting. Failure to demonstrate adequate mitigation of impacts would be contrary to Southwark Plan policies 3.15 and 3.18 and Core Strategy policy 12 which seek to ensure that the heritage and conservation value of the area is conserved or enhanced.

Archeological priority zone

58. It should be noted that Shad Thames pumping station is located within an archeological priority zone. Southwark would expect any planning application to be accompanied by an archeological assessment, evaluation of the impact of development and mitigation measures. Failure to demonstrate adequate mitigation of impacts would be contrary to Southwark Plan policy 3.19 and London Plan policy 4B.15.

Transport and movement

59. The council is concerned about the high number of goods vehicles assumed to use the road network and the effect these will have on residential amenity, pedestrian and cyclist safety and road capacity generally, both locally and in relation to the cumulative impact of construction traffic on strategic roads.
60. It is recognised that there will be a requirement for goods vehicle movements. This raises concerns, as identified in the PEIR, on the safety of pedestrians and cyclists. The relocation of parking should also be assessed in the light of parking occupancy surveys, but it will be necessary to ensure that all current parking needs are accommodated. The council would wish to be assured that secure cycle parking will be provided on site.

King's Stairs Gardens

61. Whilst the preferred site put forward for by Thames Water is Chambers Wharf, it should be noted that Kings Stairs Gardens remain a possible alternative site and is therefore still included in the phase two public consultation.
62. For all of the reasons set out in the council's previous response, including the loss of open space and as well as negative impacts on local heritage assets and vale for nature conservation, Southwark should still object strongly to the use of King's Stairs Gardens as a proposed shaft site. Use of King's Stairs Gardens would harm many interests of acknowledged importance, including MOL, nature conservation and heritage.

Druid Street

63. Whilst the preferred site put forward is Shad Thames Pumping station, it is noted that the site at Druid Street remains a possible alternative site and is therefore still included in the phase two public consultation.
64. For all of the reasons set out in the council's previous response including the impact on the amenity of surrounding residential properties as well as the temporary loss of an important children's play facility, Southwark continue to object in the strongest terms to the possible use of Druid Street as a CSO construction site. The loss of the playground, albeit over a temporary period, would result in the loss of an important residential amenity in an area with limited access to open spaces. The loss of the play facilities would leave the 79 homes on the St John's Estate without adequate play facilities, contrary to Southwark Plan policy 3.1, London Plan policies 3A.17 and 3D.13.

Earl Pumping Station

65. Although located within the London Borough of Lewisham, Earl Pumping Station adjoins the boundary with Southwark. There is a significant risk of impacts upon the residential properties with Southwark given their location facing the northwest and south west boundaries of the site.
66. The PEIR identifies that there will be significant noise effects arising from construction activities for properties located with Southwark, including those properties on Chilton Grove immediately adjacent to the north west and south west boundaries of the site. Significant vibration impacts are also predicted from

the construction works. No acceptable details are currently provided of how such impacts upon Southwark residents will be successfully mitigated and objection is therefore raised given the adverse impacts that would be likely to result for the adjacent residents.

67. Vehicle routes to and from the south via the A200 are considered to be more appropriate than the A2208, since the A200 is part of the Strategic Road Network, or to the north/west for reasons of road safety and traffic congestion. There are concerns over cyclist and pedestrian safety on Plough Way, and steps should be taken to mitigate any adverse impact. There are also concerns about general traffic congestion there and on the Lower Road gyratory and these will need to be fully assessed.

General matters and mitigation

Air quality

68. Chambers Wharf, Shad Thames Pumping Station and Earl Pumping Station are all located within an air quality management area. Thames Water will be expected to demonstrate that proposals do not result in a reduction in air quality, through an air quality assessment, as set out in Southwark plan policy 3.8.

Noise and odour

69. Construction of shafts and the residual ventilation structures will also have noise and odour impacts. Proposals which do not demonstrate that they can mitigate these impacts satisfactorily would be considered unacceptable by Southwark, in line with Southwark Plan policies 3.1 and 3.2.

Transport

70. With regard to transport, while Thames Water has committed to transporting excavated materials by barge where possible, in the case of a number of sites, such as the Shad Thames Pumping Station, this is not feasible. All proposals will be expected to be accompanied by a transport assessment, which demonstrates that transport and traffic impacts have been addressed.

Flood risk

71. Potential elevation in groundwater levels as a result of shaft and tunnel construction schemes may introduce or increase flood risk from groundwater in the short term, particularly in areas at high risk of flooding. For shaft construction and operation, site specific mitigation measures such as continuous dewatering during construction should be implemented in order to manage the groundwater levels and reduce risk of groundwater flooding. Further assessment of groundwater flood risk (as part of EIA) following additional groundwater monitoring results should be undertaken. In addition, modelling of the interaction between groundwater and surface water should be undertaken to inform the Environmental Statement (ES) on overall flood risk from the proposed schemes.
72. It is recommended that opportunities to reduce existing site runoff must be explored as all three sites (Earl Pumping Station, Chamber Wharf and Shad Thames Pumping Station) are within or near areas vulnerable to surface water flooding. Conclusive assessments of risk of surface water flooding due to runoff from surrounding areas should be undertaken as part of ES.

73. Impact of future climate change to be simulated and effect on surface water flood risk fully understood and made available in the ES.
74. Introduction of flow discharges from construction site dewatering activities into sewers may reduce storm water capacity and lead to a peak in the local system network, which would increase the risk of flooding. Site specific methodologies and risk assessments should be established (for construction and operation phases), and the council should be engaged with on the proposals.
75. At Shad Thames Pumping Station, the proposal to inhibit pumping flows from existing CSO into the River Thames, utilise storage in upstream sewers and pump storm water from the pumping station into River Thames in extreme rainfall events could increase flood risk in the event of pump failure. The residual risk of flooding (and extent) due to pumping failure should be identified and mitigation measures identified and incorporated.

Planning obligations

76. In the event that the Secretary of State deems it appropriate to grant development consent for the Thames Tideway Tunnel, the council should expect adequate planning obligations to mitigate the adverse impacts of the development on a wide range of matters addressed in the report including in respect of the following non-exhaustive impacts on heritage, open space, community facilities, residential and visual amenity, transport and sustainability, employment and local procurement, public realm, other community impacts and costs of S106 administration.
77. At this stage, it is evident the following (non-exhaustive) items would require considerable mitigations though conditions and perhaps S106 obligations:
 - Archaeological investigation and mitigation and,
 - Construction management plan (noise, dirt, hours), including monitoring,
 - Transportation mitigation,
 - Air quality monitoring and mitigation measures,
 - Noise and vibration monitoring and mitigation measures.
 - Sustainability mitigation
78. Further items may be identified as more detailed proposals emerge.

Sustainability appraisal

79. The construction of the tunnel is likely to have significant social, economic and environmental impacts. Thames Water has indicated that planning proposals will be subject to environmental impact assessment (EIA). The PIER states (PIER Main Report, Volume 4, Scoping Opinions and Technical Engagement, page 17) that no response was received from London Borough of Southwark during the consultation on the scoping report. However, Southwark submitted a response to Thames Water on the 21st July 2011. The response raised concerns over a number of issues, including the lack of heritage consideration.
80. Whilst any future applications affecting Southwark sites would be subject to an environmental impact assessment, it should be noted that an EIA tests the environmental impacts of a particular development. In 2005, the Thames Water

Tideway Strategic Study identified a number of strategic options for addressing the environmental problems of CSOs and concluded that the Thames Tideway Tunnel was the preferred option. Whilst this study included a regulatory impact assessment, it does not appear that the identified options were subjected to any sustainability or environmental appraisal before selecting the Thames Tideway Tunnel or the preferred route. This suggests that the strategic economic, social and environmental objectives arising from the Thames Tunnel are not properly integrated.

81. Southwark Council should reiterate the findings of the commission and ask for a further assessment of the wider impacts of the proposal, in social, economic and environmental terms.
82. The government has recently consulted on the draft National Policy Statement for Waste Water which addresses the need for nationally significant infrastructure projects and includes the Thames Tideway Tunnel. Whilst the draft NPS is the subject of a separate consultation response, it is noted that it relies on the 2005 study and states that Thames Tunnel is the preferred infrastructure solution and that the sustainability appraisal will include “an assessment of the specific aspects” of the Thames Tunnel proposal. This suggests that options should have been subject to sustainability appraisal at the time the 2005 study was conducted.
83. Southwark Council should note in their response that the lack of iterative sustainability testing remains an outstanding issue of concern which undermines the environmental case for the Thames Tideway Tunnel.

Community impact statement

84. The tunnel proposal will have significant impacts on the community. In particular these relate to the impact on residential amenity of surrounding properties, impact on local schools and on the local transport network which are outlined above. There may also be impacts associated with loss of amenity due to noise, dust and odour. Thames Water will need to demonstrate that these can be mitigated.

Financial implications

85. This report is recommending that cabinet agrees the response to the consultation by Thames Water on the proposed preferred route and sites for the Thames Tideway Tunnel (Appendix A) and that the Leader makes any final amendments to and signs the council’s response to Thames Water (Appendix A)
86. There are no immediate financial implications from the adoption of the recommendations in this report.
87. However, it must be noted that the potential future impact from the recommendations may be significant but the long term financial implications cannot be quantified at this stage as consultation is still on-going.
88. Any further work required to finalise the formal response in the consultation will be carried out by the relevant Planning Policy team staff resources without a call on additional funding.

89. Any specific financial implications arising from the final Thames Water Tideway Tunnel proposals or project will be included in subsequent reports for consideration and approval.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance (SY20120113)

90. Members of cabinet are requested to approve the council's response to the second stage Thames Water consultation in respect of its preferred route for the proposed Thames Tideway Tunnel and selection of preferred sites as set out at Appendix A. The main report addresses the salient technical points which members should note in considering the response.
91. Under paragraph 24, Part 3B of the constitution, the cabinet has overall responsibility for agreeing the council's response to consultation papers. Further, under part 3D of the constitution individual portfolio holders have authority to approve the council's response to consultation documents from various bodies and which relate to significant changes affecting their portfolio (paragraph 13 and 14). The consultation response in question relates to proposals for the Thames Tideway Tunnel, a nationally significant infrastructure project which would impact on a number of portfolios of both Councillor Colley, regeneration and corporate strategy and Councillor Hargrove, transport, environment and recycling and Councillor Livingstone, finance, resources and community safety. In so far as the consultation raises cross-cutting issues, the constitution provides for the approval of consultation to be referred to a meeting of the full cabinet. Accordingly members of cabinet are able to approve the response as set out at Appendix A. Furthermore, in accordance with the council's executive arrangements, the Leader has the authority to approve final amendments to and sign the council's response.

Departmental Finance Manager

92. This report recommends that the cabinet agrees the response to the consultation by Thames Water on the proposed preferred route and sites for the Thames Tideway Tunnel and that the Leader makes any final amendments to and signs the council's response to Thames Water.
93. There are no immediate financial implications arising from the report. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Plan, 2007	160 Tooley Street London SE1 2QH	Tim Cutts 020 7525 5380
Core strategy, 2010	160 Tooley Street London SE1 2QH	Tim Cutts 020 7525 5380
Response to Thames Water's Phase One public consultation on the proposed Thames Tideway Tunnel	160 Tooley Street London SE1 2QH	Tim Cutts 020 7525 5380
2011 Response to Scoping Report consultation for the proposed Thames Tunnel	160 Tooley Street London SE1 2QH	Tim Cutts 020 7525 5380
2009 Southwark response to Thames Water's long listed construction sites	160 Tooley Street London SE1 2QH	Tim Cutts 020 7525 5380
2008 Southwark Response to Thames Water's site selection methodology	160 Tooley Street London SE1 2QH	Tim Cutts 020 7525 5380

APPENDICES

No.	Title
Appendix A	Response to Thames Water's Phase Two public consultation on the proposed Thames Tideway Tunnel
Appendix B	Thames Tunnel proposed route
Appendix C	Plan of proposed construction site and illustrative diagram of permanent buildings at Chamber's Wharf
Appendix D	Plan of proposed construction site and illustrative diagram of permanent buildings at Shad Thames Pumping Station

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Tim Cutts, Acting Head of Planning Policy	
Version	Final	
Dated	13 January 2012	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	13 January 2012	

RESPONSE TO THAMES WATER'S PHASE TWO PUBLIC CONSULTATION ON THE PROPOSED THAMES TIDEWAY TUNNEL

January 2012

Dear Sir / Madam,

THAMES TUNNEL: PHASE TWO PUBLIC CONSULTATION

Thank you for consulting London Borough of Southwark on the preferred route and sites for the Thames Tunnel.

Southwark continues to recognise the importance of reducing the amount of sewage that reaches the Thames and supports the efforts to clean up the river to meet the requirements of the EU wastewater directive.

Notwithstanding this, Southwark has significant concerns over the current proposal. It considers that Thames Water has not demonstrated that the tunnel proposal is the most appropriate means of meeting the requirements of the EU wastewater directive and objects on those grounds. It also strongly objects to the use of Chambers Wharf as a shaft construction site and has strong concerns about the works proposed at the Shad Thames Pumping Station and Earl Pumping Station.

1. Principle of the Tunnel

On 4 July 2011, Southwark, along with four other London boroughs (Hammersmith and Fulham, Kensington and Chelsea, Richmond and Tower Hamlets) came together to sponsor an independent Commission to carry out a review of the proposed Thames Tunnel. The report of the Commission published in October 2011 strongly recommends that the Ministerial request to Thames Water to pursue a full-length tunnel be reconsidered. This would enable the full range of 'best technical knowledge' options available to manage storm water to be evaluated and given equal consideration to the tunnel option.

The Commission encouraged DEFRA to recommend to the EU that there is a need for an environmental and economic reassessment to ensure not only that storm water overflow issues are addressed but also that flooding and wider societal benefits are considered and that the options pursued do not entail excessive cost for the benefits accrued in today's economic climate.

It was found by the Commission that the alternative options to a full length tunnel have never been adequately tested, especially where such alternatives can deliver more than the mono-benefit of Combined Sewer Overflow spill reduction that the tunnel will provide. These options include reducing flows by separation, by green infrastructure, by the construction of local detached sewage treatment works, by the construction of distributed storage and by the enhancement of the existing sewerage network, thereby allowing a partial tunnel solution at a lower cost or even a non-tunnel solution.

On the basis of the findings of the Commission, Southwark will continue to dispute the need for the tunnel until there has been an environmental and economic reassessment of the proposal. Furthermore, in the light of the findings, Southwark disputes the full-length storage tunnel option as the best possible means of meeting the requirements

of the Urban Waste Water Treatment Directive and considers that other technical options may be as viable and more cost-effective.

As set out in the findings of the Commission, Southwark wishes to raise serious concerns about the escalating costs of the Thames Tunnel and the impact this will have on customers, pushing a significant proportion of Thames Water bill payers into water poverty.

Alongside the reservations expressed above relating to the need for the Tunnel, Southwark would also wish to raise objection to the use of both Chambers Wharf and Shad Thames Pumping Station as part of the proposal.

2. Chambers Wharf

It is proposed that Chambers Wharf is used as a main tunnel drive site as an alternative to King's Stairs Gardens. Chambers Wharf is a cleared re-development site that has planning permission for residential development.

It is noted that, unlike King's Stairs Gardens, Chambers Wharf is a brownfield site. The site also has access to the River Thames, which would allow the removal of excavated material and delivery of construction materials to the site via barge. Notwithstanding this, Southwark objects to the use of Chambers Wharf as a main tunnel drive shaft for the reasons set out below.

Noise and vibration

The site is located in close proximity to several existing residential properties surrounding the site including existing residential properties on Loftie Street adjacent to the east boundary of the site. The rear gardens and rear windows of several of these properties would directly face the site and would be in close proximity to key elements of the works including the underground shaft. There are also existing flats adjacent to the west boundary of the site.

The Preliminary Environmental Information Report (PEIR) states that the current noise climate is dominated by road traffic noise. This does not create an accurate impression of the existing noise environment around the site. Whilst traffic noise is audible in the vicinity of the site, it is not particularly notable, and properties around the site enjoy a generally peaceful noise climate relative to their central London location.

In its assessment on noise, the PEIR itself concludes that *“significant noise effects arising from construction activities are predicted at residential properties at Luna House, Axis Court, Chambers Street, Chambers Wharf South (proposed development), Bevington Street, Bermondsey Wall East and Fountain Square”* (PIER Non-technical Summary, Chambers Wharf, page 258). The PEIR goes on to state that *“it is anticipated that additional mitigation would be required to address significant noise effects. These could include the increased hoarding heights, use of localised screens and enclosures to reduce noise from particularly noisy, static operations”* (PIER Non-technical Summary, Chambers Wharf, page 258).

The impact of the proposals upon local residents is a particular concern given that the construction programme is expected to last for approximately six years. It is also relevant that following the construction phase of the Thames Tunnel there will be a further period of construction for the residential development, resulting in an even more prolonged period of disturbance for residents.

Given the close proximity and intimate relationship between the residential properties (including that new development proposed on Chambers Street) and the site, there is a strong likelihood of serious harm resulting from noise and disturbance upon the living conditions of the residential properties in the vicinity of the site. There are currently no detailed proposals in place which demonstrate how the harm will be mitigated and objection is therefore raised to the proposals on this basis.

Given the relationship of the construction proposals with residential properties extensive mitigation would be required to counter the serious noise and disturbance likely to occur, if the scheme were to go ahead. Such mitigation needs to be carefully considered well in advance of the application. They would also need to be rigorously monitored. Consideration should be given to enclosure of the head of the shaft and the main lifting and loading operations on the site. In paragraph 9.2.3 of the PIER Main Report, Volume 22: Chambers Wharf Site Assessment, it is stated in the assessment that the hoarding height will be 2.4m at this site. However in the Control of Construction Practice Part B document the height of the hoarding is stated to be 3.6m. In considering mitigation it needs to be borne in mind that the use of high hoardings and screening panels could also have adverse impacts upon both the general visual amenity of the area, key viewpoints and could appear oppressive when viewed from adjacent residential properties. Alternative noise mitigation measures such as secondary glazing should also be considered, if the proposal were to go ahead.

It should be demonstrated that the noise levels resulting from the operation of the ventilation system will not increase the current background noise levels as per "LBS Sustainable and Construction SPD".

The impact upon the living conditions of residents would be exacerbated by additional disturbance from vehicle movements to and from the site. During construction, vehicles would access and egress the site onto Chambers Street, connecting to Jamaica Street via Bevington Street. The proposed vehicular access to the site is proposed directly opposite the proposed flats on the south side of Chambers Street, increasing the likelihood of significant disturbance for future occupiers, the windows for some of whom will be immediately adjacent (albeit at a higher level) to the edge of the pavement.

For the first two years of the construction phase, average lorry movements will frequently be between 60 and 90 lorry movements per day. In the final four years of the construction phase the maximum number of lorry movements is expected to drop to a maximum of 54 movements per day (for the avoidance of doubt each movement represent a trip to or from the site so the number of two way trips will be half this number). The number of overall lorry movements will drop significantly in the final year of construction. These figures are based upon an assumption that 90% of fill and excavated material movements would be transported by barge. If this 90% figure is not reached the number of lorry movements could potentially significantly increase. It is noted with concern that Thames Water indicates that the actual amount of waste transported by barge will be at the discretion of the package contractors and there is no formal commitment to achieving this target at Chambers Wharf.

There are also likely to be adverse implications, both in terms of disturbance and safety issues for the existing primary school located on Bevington Street in close proximity to the site. The Council do not accept the method by which the schools are assessed against the ambient noise as indicated by the London noise maps. Instead, the criteria should be based on the baseline noise data.

Future proposals will need to clearly demonstrate how the works can operate without detriment to the operation, safety of children and learning conditions at the school.

The proposal is contrary Policy 3.2 of the Southwark Plan which seeks to ensure that development does not result in a loss of amenity, including disturbance from noise, to present or future occupiers in the surrounding area or on the application site.

Design and visual impact

The proposed works will result in the need for amendments to the permitted scheme for residential development at Chambers Wharf to the north of Chambers Street. The detailed proposals of permanent works for the Thames Tunnel project will therefore need to be transposed onto the permitted scheme for the Chambers Wharf residential development and the Council's agreement of the revised proposals will be required. Permission will need to be in place in place for any amended scheme prior to the commencement of the proposed tunnelling works.

The hoardings to be maintained during the construction period will affect views upstream and in particular significant views of Tower Bridge to the west from the public footway. The design and finish of the proposed hoardings should be given careful consideration, their presentation and maintenance for the 6 year duration of the construction should be considered and agreed with the Council prior to the submission of the application. Careful consideration should also be given to the design of the hoarding to the river's edge and utilising an open fence to the extended pier to retain the up-stream views.

The 'Dolphin' is an historic river structure located immediately to the east of the wharf for the duration of the works. Careful consideration should be given to this given the proposed use of barges to service the site and the works that will be required to the shoreline of the River. The proposals must ensure that the 'Dolphin' is properly safeguarded and protected during the construction programme.

The Council would require a detailed condition survey be carried out of all heritage assets and residential properties that could be affected by the tunnelling works. The detailed condition survey should be retained for the duration of the works.

Should the scheme go ahead and without prejudice to its case, the Council would support the removal of the projecting wharf and the reinstatement of the river edge. The design of the proposed vents is sensitive. These will be very prominent on the river walk and will become significant landmarks in the area. Their design should be developed more along the lines of sculptures than utilitarian vents and the Council would prefer natural materials and a signature piece in this location.

The location, arrangement, scale, height and detailed design of the two kiosks remains to be agreed. The council would expect to be involved in detailed discussions about the design of these structures

The impact of the proposed un-filtered ventilation 'slot' needs further consideration – the Council is very concerned over the workings of this feature of the re-constructed Thames Wall.

The 'Dolphin' should be carefully restored in accordance with a schedule of works that should be agreed with the council.

The Council will need to be satisfied that the proposal is consistent with Policy 3.12 and 3.13 of the Southwark Plan and Core Strategy strategic policy 12 which seek to ensure that development achieve a high quality of both architectural and urban design, enhancing the quality of the built environment.

Thames policy area

Chambers Wharf is located in the Thames Policy Area (TPA). The purpose of the Thames Policy Area is to recognise the role of the Thames in maintaining London as an exemplary, sustainable world city.

Chambers Wharf comprises one of few development opportunities with a river frontage in Southwark and plays an important part in enabling Southwark to attract investment and meet the housing need of the borough. The site has planning permission and were it not for the tunnel proposal would be available for development. If the tunnel proposal goes ahead, the part of the site which fronts the Thames will not become available for development until 2022/23, blighting the regeneration of this part of the borough.

In view of this, the proposal is not consistent with Policy 3.29 of the Southwark Plan, Core Strategy policy 12 or London Plan policy 4C.6 which seek to ensure that character of the TPA is protected and enhanced. .

Heritage

The use of Chambers Wharf as a construction site is likely to be detrimental impact on the setting of the listed and locally listed buildings/structures close to the site. Riverside School and Bermondsey Wall West are both grade II listed and their settings would be compromised by the proposal. The proposals will also impact on nearby locally listed buildings such as 23 Jacob Street, the Dockhead Fire Station and The Ship Aground public house on Wolseley Street. Thames Water will need to demonstrate that these impacts are appropriately identified and mitigated against.

Chambers Wharf is adjacent to St Saviour's Dock conservation area and the recently designated, King Edward III Rotherhithe Conservation Area. The proposal is likely to significantly impact on the setting of the recently designated conservation area, which will be severely affected by the works which will block out most up-stream views along the river walk for the 6 year duration of the works.

Use of the site as a construction site would harm the heritage and conservation value of the area contrary to Southwark Plan policies 3.15 and 3.18 and Core Strategy policy 12.

Archaeological priority zone

The proposals for the excavation of the shaft will require an archaeological response. Archaeological works to the immediate south of Chambers Street, the southern part of the Chamber's Wharf site revealed remains relating to the post medieval shipping industry in this area together with a significant geoarchaeological potential. At St Michael's School, to the south of the site Roman settlement evidence and geoarchaeological evidence of the former watery landscape of the area was recorded. East of the site at Cherry Gardens Roman cremation burials have been identified. The judicious examination of borehole data should help with predictive modelling and the design of a suitable archaeological strategy.

The proposals also include the removal of the present jetty. Archaeological recording of the foreshore at Chamber's Wharf has revealed significant archaeological remains of various periods of foreshore archaeology. Proposals for work in this area will be required to record archaeological remains to be impacted by the removal of the jetty and new construction work for the replacement river wall. The removal of the jetty is also likely to increase the impact of tidal erosion on the foreshore so proposals for the recording of the archaeology should consider operational as well as constructional impacts upon this resource. The Thames Discovery Programme has been undertaking survey work on this foreshore as part of their wider project so a significant, recent baseline of archaeological data should be available.

It should be noted that Chambers Wharf is located within an archaeological priority zone. Southwark would expect any planning application to be accompanied by an archaeological assessment, evaluation of the impact of development and mitigation measures. Failure to demonstrate adequate mitigation of impacts would be contrary to Southwark Plan policy 3.19 and London Plan policy 7.8.

Open space

Chambers Wharf is close to Cherry Gardens which is an open space protected as Borough Open Land. It is an open space of borough importance and has the second highest level of policy protection afforded to greenfield sites. Any development on Chambers Wharf will need to demonstrate that there are no negative impacts on the nearby open space and its quality and value to the community for recreation and leisure purposes in line with Southwark Plan policy 3.26 and Core Strategy strategic policy 11.

Nature conservation

The River Thames is the borough's largest Site of Importance for Nature conservation and the site itself may have some habitats or species of value for nature conservation. Any development on Chambers Wharf will need to demonstrate that there are no negative impacts on the ecological value of the River Thames or the site itself in line with Southwark Plan policy 3.28 and Core Strategy strategic policy 11.

Transport and movement

The Council is concerned about the high number of goods vehicles assumed to use the road network and the effect these will have on residential amenity, pedestrian and cyclist safety and road capacity generally, both locally and in relation to the cumulative impact of construction traffic on strategic roads. In order to minimise this, every effort should be made to transport fill, excavated material and construction elements by river. The Council would expect this objective to override any commercial considerations.

Notwithstanding the above, it is recognised that there will be a requirement for goods vehicle movements. This raises concerns, as identified in the PEIR, on the safety of pedestrians and cyclists. Paragraphs 12.7.3 and 12.7.4 refer to diversion of pedestrian and cycling routes, but with no indication of the roads to which these can be diverted. Travel to and from the schools is obviously the key concern here, and the extent to which routes can be diverted will be limited by their fixed locations.

As is noted above, the lack of a formal commitment on the part of Thames Water to achieving the 90% target for transportation of waste by barge is a serious cause for objection. For this undertaking to be given any weight, it will need to be the subject of

a condition of planning obligation as appropriate. Without such a commitment, it is possible that the number of lorry movements could rise substantially. Southwark considers that a binding commitment will be an essential part of the mitigation of the impacts of the proposals.

The relocation of parking should be assessed in the light of parking occupancy surveys, but it will be necessary to ensure that all current parking needs are accommodated. On the basis that no parking will be provided for workers on site and given that parking permits will not be available for workers within the controlled parking zone, overspill parking or the impact of workers' vehicles on the road network is not a concern. However, the Council would wish to be assured that secure cycle parking will be provided on site.

For travel on the road network, the Council considers the A200 for access to the A2 to be more appropriate than the A2208, since the A200 is part of the Strategic Road Network and that these are more appropriate than routes to the north/west, for reasons of road safety and traffic congestion.

Unless it can be demonstrated that the impacts of the proposal can be satisfactorily mitigated, the proposal will be contrary policies 5.1, 5.2 and 5.3 of the Southwark Plan, Core Strategy strategic policy 2 and London Plan policies 6.3, .68, 6.9 and 6.10.

Construction

The construction machinery and plant should be stipulated to meet the following criteria:

All contractors' vehicles cars and vans must meet or exceed the following CO₂ limits and European emission standards (euro standards) at the commencement of the contract:

- *Cars - maximum certified CO₂ emissions of 100 g/km and a minimum of Euro V emission standards*
- *Vans equal to or less than 1205 kg kerb weight – maximum certified CO₂ emissions of 110 g/km CO₂ and a minimum of Euro V emission standards*
- *Vans between 1205 and 1660 kg kerb weight – maximum certified CO₂ emissions of 150 g/km CO₂ and a minimum of Euro V emission standards*
- *Vans greater than 1660 kg kerb weight – maximum certified CO₂ emissions of 210 g/km CO₂ and a minimum of Euro V emission standards*

All contractors' heavy duty road vehicles and non-road diesel engines must meet or exceed the following emission standards at the commencement of the contract:

- Heavy duty road vehicles >3500 kg kerb weight – Euro 6 European emission standards
- Non road diesel engines between 19 and 36 kW – Stage 3A European emission standards
- Non road diesel engines between 37 and 55 kW – Stage 3B European emission standards
- Non road diesel engines between 56 and 560 kW – Stage 3B European emission standards

Air quality

There are no plots of the air quality assessments shown in the documentation in the PIER Main Report, Volume 22 Chambers Wharf Site Assessment.

Contamination

There are also no tables showing the results of the chemicals tests on the soils from the boreholes.

3. Shad Thames Pumping Station

Thames Water has now established that there is no longer a need to connect the Shad Thames Pumping Station CSO to the main tunnel. Instead it is proposed that storm flows are managed by utilising existing storage in the sewers upstream of the pumping station and implementing works at Shad Thames Pumping Station to inhibit it from pumping flows from the CSO into the River Thames.

Southwark objects to the proposed works on this site for the reasons set out below.

Noise and vibration

Given the proximity of the proposals to existing residential properties, including those immediately adjacent to the site, there is serious concern that the construction works (including excavation activity) and relating vehicular traffic will result in significant harm to the living conditions of neighbouring residents. Very careful consideration must therefore be given to the mitigation which can be provided, well in advance of the submission of the application. The Council will also need to be satisfied that the operation of the revised pumping station would not result in additional noise or disturbance for residents, including noise from the proposed three storey extension to the rear housing electrical equipment. Consideration should also be given to the impact of the three storey rear extension upon the outlook and privacy of neighbouring residential properties.

Unless it can be demonstrated that the impacts of the proposal can be satisfactorily mitigated, the proposal will be contrary policy 3.2 of the Southwark Plan which seeks to ensure that development does not result in a loss of amenity, including disturbance from noise, to present or future occupiers in the surrounding area or on the application site.

Design and Visual Appearance

This site is located within the St Saviour's Dock Conservation Area. Without prejudice to the Council's objection to the proposal, further discussion should take place in connection with the demolition of an existing section of the pumping station building and the acceptability of the design of the three storey extension along with other alterations to the building including the new vehicular access doors on the front elevation.

The council will need to be satisfied that the proposal is consistent with Policy 3.12 and 3.13 of the Southwark Plan and Core Strategy strategic policy 12 which seek to ensure that development achieve a high quality of both architectural and urban design, enhancing the quality of the built environment.

Heritage

The use of Shad Thames Pumping Station as a construction site may have a detrimental impact on the setting of the listed and locally listed buildings close to the site, in particular 29 Shad Thames and Anise warehouse which are both grade II listed. Any proposals for development which impact on heritage assets should seek to enhance or preserve the heritage assets or their setting. Unless satisfactory mitigation is identified, use of the site for construction purposes would harm the heritage and conservation value of the area contrary to Southwark Plan policies 3.15 and 3.18 and Core Strategy policy 12.

Archaeological priority zone

Further information is required concerning the impacts upon the archaeological resource at this site. The drawings provided only show elevations and the area of the building to be replaced. It is understood that new pumps are to be inserted at this site. The Shad Thames area has a considerable post-medieval archaeological resource, however, most significantly, remains from Bronze-age field systems survive, deeply buried on site. These are among some of the most significant archaeological remains of the development of agriculture in the UK. Further detail is required to determine the impacts upon this resource, which survives at approximately 4m below ground level. Proposals for this site will need to design in suitable access for archaeologists to excavate and record the archaeological resource.

It should be noted that Shad Thames pumping station is located within an archaeological priority zone. Southwark would expect any planning application to be accompanied by an archaeological assessment, evaluation of the impact of development and mitigation measures. Failure to demonstrate adequate mitigation of impacts would be contrary to Southwark Plan policy 3.19 and London Plan policy 7.8.

Transport

The Council is concerned about the high number of goods vehicles assumed to use the road network and the effect these will have on residential amenity, pedestrian and cyclist safety and road capacity generally, both locally and in relation to the cumulative impact of construction traffic on strategic roads. Thames Water will need to provide details of the number of vehicle movements expected as part of a transport assessment.

Notwithstanding the above, it is recognised that there will be a requirement for goods vehicle movements. This raises concerns on the safety of pedestrians and cyclists.

The relocation of parking should be assessed in the light of parking occupancy surveys, but it will be necessary to ensure that all current parking needs are accommodated. On the basis that no parking will be provided for workers on site and given that parking permits will not be available for workers within the controlled parking zone, overspill parking or the impact of workers' vehicles on the road network is not a concern. However, the Council would wish to be assured that secure cycle parking will be provided on site.

The proposal will need to demonstrate compliance with policies 5.1, 5.2 and 5.3 of the Southwark plan, Core Strategy strategic policy 2 and London Plan policies, 6.3, .68, 6.9 and 6.10.

Environmental impacts

The detailed plan 110-DX-ARC-SM04X-000465 & 110-DX-ARC-SM04X-000467 show the termination of the ventilation pipe at the eaves level. This could result in a loss of amenity due to downwash of any odour due to design of the building. There is only a site information paper for this site. It is recommended that there should be a separate volume of preliminary environmental information report in a similar manner to the "Design Development Report – Appendix Y – Other works".

4. King's Stairs Gardens

Whilst the preferred site put forward is Chambers Wharf, it is noted that Kings Stairs Gardens remains a possible alternative site and is therefore still included in the phase two public consultation.

For all of the reasons set out in the council's previous response (appendix A), including the loss of open space and as well as negative impacts on local heritage assets and value for nature conservation, Southwark continue to object strongly to the possible use of King's Stairs Gardens as a main shaft site. Use of King's Stairs Gardens would harm many interests of acknowledged importance, including MOL, nature conservation and heritage.

The previous objections raised to the use of this site are carried forward as part of the Council's response to the current consultation.

5. Druid Street

Whilst the preferred site put forward is Shad Thames Pumping station, it is noted that the site at Druid Street remains a possible alternative site and is therefore still included in the phase two public consultation.

For all of the reasons set out in the council's previous response (appendix A), including the impact on the amenity of surrounding residential properties as well as the temporary loss of an important children's play facility, Southwark continue to object to the possible use of Druid Street as a CSO construction site.

The previous objections raised to the use of this site are carried forward as part of the Council's response to the current consultation

6. Earl Pumping Station

Although located within the London Borough of Lewisham, Earl Pumping Station adjoins the boundary with Southwark. There is a significant risk of impacts upon the residential properties in Southwark given their location facing the north west and south west boundaries of the site.

The PEIR identifies that there will be significant noise effects arising from construction activities for properties located with Southwark, including those properties on Chilton Grove immediately adjacent to the north west and south west boundaries of the site. Significant vibration impacts are also predicted from the construction works. No acceptable details are currently provided of how such impacts upon Southwark residents will be successfully mitigated and objection is therefore raised given the adverse impacts that would be likely to result for the adjacent residents.

It is acknowledged that all materials being imported to or exported from the site must travel by road. The Council considers that vehicle routes to and from the south via the A200 are more appropriate than the A2208, since the A200 is part of the Strategic Road Network, or to the north/west for reasons of road safety and traffic congestion. The Council is concerned about cyclist and pedestrian safety on Plough Way, and considers that steps should be taken to mitigate any adverse impact. The Council is also concerned about general traffic congestion there and on the Lower Road gyratory and these will need to be fully assessed.

The relocation of parking to improve goods vehicle access should be assessed in the light of parking occupancy surveys, but it will be necessary to ensure that all current parking needs are accommodated. It is assumed that no parking is provided on site. Roads within Southwark in the immediate area are covered by a controlled parking zone preventing parking by site workers. Consequently, the Council has no concerns about commuter traffic generation or parking. However, the Council would wish to be assured that secure cycle parking will be provided on site.

7. General Matters and Mitigation

PIER Volume 2: Proposed development

In paragraph 5.2.8 of the PIER, Volume 2: Proposed development, in connection with the use of the River Thames it states that, "The horizontal alignment of the main tunnel would generally follow the River Thames where possible, because it would allow the use of the river for construction transport, where practicable and economic". The environmental benefits of this should also be taken into account.

Paragraph 5.3.55 of the report states that the 'Package contractor' will determine the delivering of material by river. As is noted above, this is not acceptable to Southwark. The Council considers that it should be subject to a binding commitment.

On page 72, the figure is missing for the "Typical Schematic arrangement for active ventilation plant"

PIER Volume 5: Assessment methodologies

Paragraph 3.4.109 of the PIER, Volume 5: Assessment methodologies, only uses a typical year "October 1979 – September 1980". Where the problem would coincide with a bad year, it does not appear that the effects of climate change are being taken into account. No reference is given to the Water Research Council study and the reason for choosing the stated period. As it is predicted that certain periods will get wetter, there is a probability that the Thames Tunnel will be used more often. Within the documents there is no indication of the odour concentration around the various ventilation shafts in the borough. As it can be seen from the graph included as Appendix B, the rainfall for the typical year is 21.3mm above the 100 year average. The worst case for the amount of combined sewer overflow into the Thames Tunnel would be for the year 2000 – 2001 when the total annual (October 2000 to September 2001) rainfall was 1162.7mm. In the Environmental Statement, this year should be presented as worst case scenario for all the air quality assessments.

Page 137 in table 8.4.1 Note D the time for Sunday should be 2200 hours not 23:00 this is a Thameslink project standard.

There is no mention of noise insulation or re-housing triggers levels. There are several references to the trigger levels in the documents, but there are no references to the

policy document. The Thameslink project has a twenty-nine page policy document on the noise insulation or temporary re-housing policy.

Air quality

Chambers Wharf, Shad Thames Pumping Station and Earl Pumping Station are all located within an air quality management area. Thames Water will be expected to demonstrate that proposals do not result in a reduction in air quality, through an air quality assessment, as set out in Southwark plan policy 3.8.

In paragraph 3.3.1 (c) of the Air Quality Management Plan, Thames Water states that the H₂S would be maintained for at least three years after start of operation and if records indicate good performance, such H₂S monitoring would be discounted. In another paragraph of the same document (3.5.3) it states that the H₂S monitoring would be reviewed. The H₂S monitoring should be carried out until after the first major maintenance of the Thames Tunnel, and then it should be reviewed. The H₂S monitoring is an integrated part of the monitoring system to check the odour control plant at a central operation station. This is another good reason why the H₂S monitoring should be longer than three years and as part of BPM system.

In section four of the Air Quality Management Plan, the local authority is not included in the complaint structure.

Noise and Odour

Construction of shafts and the residual ventilation structures will also have noise and odour impacts. Proposals which do not demonstrate that they can mitigate these impacts satisfactorily would be considered unacceptable by Southwark, in line with Southwark Plan policies 3.1 and 3.2.

Paragraph 2.3.2 of the PIER Main Report, Volume 6: Project Wide effects, states that the roads A202 Camberwell to Peckham and the A2 corridor south east of the A202 junction are predicted to an increase of over 200 HGVs movements per day, which will have an adverse effect on the local air quality in an area of current poor air quality. Therefore the option of delivering and exporting of the material from the various construction sites by barges may be the best environmental option. There is no indication of the concentrations given in the volume; it is unclear whether this will be shown in the Environmental Statement.

The roads mentioned above have not been considered in the section in connection with noise and vibration because the section only includes the effects associated with the underground works.

The current noise assessment has been made on the noise – related environmental design measures as defined in the current Code of construction practices Parts A & B, however the assessment will be different when the contractor's equipment and construction sequence are known. It is suggested that a s106 agreement should be entered into to ensure that a year baseline monitoring data (Noise and Air Quality) around the various construction sites in the borough is obtained before enabling works start. For each site a Working Group is convened with representation made up from residents, local Councillors, contractor, Thames Water and officers from the authority. The construction sites on the border with London Borough of Lewisham and the City of London the group should have cross borough representation.

It is not clear why there is a change in the contours in the vicinity of Tower Bridge in connection with the predicted vibration levels in Volume 6 Figure 5.4.18 TBM Ground borne noise contours.

In respect of “Volume 6 Table 5.4.4. Ground borne noise impacts from TCR” table, there is no assessment to the duration of the low impact (35 – 39 dB(A)) that the 310 residential properties. A significant period of a low impact will cause a significant impact. Also the cumulative effect of the TBM and TCR has been considered in the report. In the plan showing the Greenwich Tunnel TCR ground borne noise levels (Vol. 6 Figure 5.4.22), there is no upper limit shown for the ground borne noise contours. It is presumed from the text that the upper limit is 40dB, but this should be shown on the legend for the plan.

Flood risk

Risk of Flooding due to Groundwater

Potential elevation in groundwater levels as a result of shaft and tunnel construction schemes may introduce or increase flood risk from groundwater in the short term, particularly in areas at high risk of flooding. For shaft construction and operation, site specific mitigation measures such as continuous dewatering during construction should be implemented in order to manage the groundwater levels and reduce risk of groundwater flooding. It is appreciated that the tunnel will be deep (at about 57m depth in Chambers Wharf) and go through bedrock in the lower aquifer; this, combined with the tunnel's relatively insignificant diameter compared to the lower aquifer thickness means it is unlikely to influence near-surface groundwater dynamics. The Council recommends further assessment of groundwater flood risk (as part of EIA) following additional groundwater monitoring results to be undertaken as planned. In addition, modelling of the interaction between groundwater and surface water should be undertaken to inform the Environmental Statement (ES) on overall flood risk from the proposed schemes.

At the Chambers Wharf site, the effect of the temporary coffer dam and permanent shafts on groundwater flow is anticipated to have negligible impact; this should be further assessed and quantified in the ES. The Bermondsey area just south of the proposed Chambers Wharf shaft site has increased potential for elevated groundwater, derived from our Preliminary Flood Risk Assessment (PFRA), and has previously reported groundwater flood incident. The proximity of the Chambers Wharf site to this area enhances the need for further investigation and quantification of the effects of construction work on near-surface groundwater dynamics.

Risk of Flooding due to Surface Water

The Thames Tunnel Code of Construction Practice (CoCP, section 8.2.3) provides information on general requirements for limiting flows from site to ensure no increase in runoff rates unless otherwise agreed, and site specific (Flood Risk Assessment) FRAs recommend that measures for limiting and controlling runoff flows from site are undertaken. The Council recommends that detailed measures are developed and implemented during the construction and operational phases of the schemes. The Council recommends that opportunities to reduce existing site runoff must be explored as all sites (Earl Pumping Station, Chamber Wharf and Shad Pumping Station) are within or near areas vulnerable to surface water flooding. It is therefore recommended that conclusive assessments of risk of surface water flooding due to runoff from surrounding areas should be undertaken as part of ES.

Impact of future climate change to be simulated and effect on surface water flood risk fully understood and made available in the ES.

Although the three sites are currently 100% hard standing, reduction/attenuation of the velocity and volume of runoff must be considered in order to reduce the risk of flooding to surrounding areas. The Council recommends that post-development mitigation measures (e.g. to meet PPS25 30% runoff increase due to climate change and Mayor's Draft Water Strategy to attenuate 50% of undeveloped runoff) are assessed, with additional investigations on feasibility of attenuation/infiltration SUDs and on potential to route flows away from site as well as from vulnerable properties. The Council also recommends the reduction of currently proposed hard standing areas and introduction of permeable paving/soft landscaping in order to mitigate runoff contribution to surrounding developments.

The proposed coffer dam, raised to current tidal flood defence levels, could cause accumulation of surface water from rainfall in the working area during construction and necessitate periodic pumping of rainwater into the River Thames. Control of surface water from rainfall should be implemented during construction, as per CoCP (with contingencies for pumping failure), to ensure that flood risk from surface water on site is effectively reduced. Site specific methodologies and risk assessments should be established (for construction and operation phases), and LBS should be engaged with on the proposals.

Risk of Flooding due to Sewer Overload

Introduction of flow discharges from construction site dewatering activities into sewers may reduce storm water capacity and lead to a peak in the local system network, which would increase the risk of flooding. It is recommended that appropriate management of pumped flows from dewatering must be developed and implemented on a site specific basis during construction. While the CoCP states that water management will be in place during construction, site specific methodologies and risk assessments should be established (for construction and operation phases) and LBS should be engaged with on the proposals.

At Shad Pumping Station, the proposal to inhibit pumping flows from existing CSO into the River Thames, utilise storage in upstream sewers and pump storm water from the pumping station into River Thames in extreme rainfall events could increase flood risk in the event of pump failure. The residual risk of flooding (and extent) due to pumping failure should be identified and mitigation measures identified and incorporated.

Risk of Flooding due to Impact of Tunnel Construction on Tidal Defences

Although management of tidal flood risk falls outside remit of London Borough of Southwark, the impact of a failure on the Thames Tidal Defence could lead to increased flood risk in surrounding developed areas of the borough. A detailed study of impact of tunnelling on flood defence settlement should be undertaken and included in ES as proposed in the PEIR.

Planning Obligations

Without prejudice to the Council's objection to the proposal, it would expect planning obligations to include the items identified below. Further items may be identified as more detailed proposals emerge.

Chamber's Wharf

- Archaeological investigation, mitigation and S106 administration fee, including the former dock area.
- Construction management plan (noise, dirt, hours), including monitoring.

- Post completion installation of River Side Walk, including new wall and public access.
- Transportation mitigation on access and egress route to and from the site to the main road (A200) and reinstatement works.
- Air quality monitoring and mitigation measures.
- Noise and vibration monitoring and mitigation measures.

Shad Thames Pumping station

- Archaeological investigation, mitigation and S106 administration fee.
- Transportation mitigation on access and egress route to and from the site to the main road (A200) and reinstatement works.
- Air quality monitoring and mitigation measures.
- Noise and vibration monitoring and mitigation measures.

King's Stairs Gardens option

- Archaeological investigation, mitigation and S106 administration fee.
- Construction management plan (noise, dirt, hours), including monitoring.
- Post completion re-installation of River Side Walk and public access.
- Transportation mitigation on access and egress route to and from the site to the main road (A200) and reinstatement work.
- Open space mitigation contribution.
- Nature conservation mitigation.
- Children's play facility mitigation.
- Appropriate mitigation for loss of trees. Replacement trees should serve to increase canopy cover. Where this is not possible, a financial contribution should be made in lieu of on-site provision calculated using the CAVAT methodology.
- Air quality monitoring and mitigation measures.
- Noise and vibration monitoring and mitigation measures.

Druid Street option

- Archaeological investigation, mitigation and S106 administration fee.
- Construction management plan (noise, dirt, hours), including monitoring.
- Open space mitigation contribution.
- Children's play facility mitigation.
- Air quality monitoring and mitigation measures.
- Noise and vibration monitoring and mitigation measures.

Sustainability Appraisal

The construction of the tunnel is likely to have significant social, economic and environmental impacts. Thames Water has indicated that planning proposals will be subject to environmental impact assessment (EIA). The PIER states (PIER Main Report, Volume 4, Scoping Opinions and Technical Engagement, page 17) that no response was received from London Borough of Southwark during the consultation on the scoping report. However, Southwark submitted the response (attached as appendix B) to Thames Water on the 21st July 2011. The response raised concerns over a number of issues, including the lack of heritage consideration.

Whilst any future applications affecting Southwark sites will be subject to an environmental impact assessment, it should be noted that an EIA tests the environmental impacts of a particular development. In 2005, the Thames Water Tideway Strategic Study identified a number of strategic options for addressing the

environmental problems of CSOs and concluded that the Thames Tideway Tunnel was the preferred option. Whilst this study included a regulatory impact assessment, it is not clear whether the identified options were subjected to any sustainability or environmental appraisal before selecting the Thames Tideway Tunnel or the preferred route.

The government has recently consulted on the draft National Policy Statement for Waste Water which addresses the need for nationally significant infrastructure projects and includes the Thames Tideway Tunnel. Whilst the draft NPS is the subject of a separate consultation response, it is noted that it relies on the 2005 study and states that Thames Tunnel is the preferred infrastructure solution and that the sustainability appraisal will include “an assessment of the specific aspects” of the Thames Tunnel proposal. This suggests that options should have been subject to sustainability appraisal at the time the 2005 study was conducted.

It is a mandatory requirement under Directive 2001/42/EC for a Strategic Environmental Assessment to be submitted with plans/programmes which are prepared for waste and/or water management where they require the amendment of a Land Use plan. The SEA is required to include an assessment of alternatives against the SEA objectives, provided there is sufficient detail to identify the significant environmental effects of each alternative. Where appropriate any cumulative, secondary and synergistic, short, medium, and long-term effects need to be highlighted, indicating whether they are likely to be permanent or temporary. In this respect, Southwark Council believe the SEA is required to adequately assess the cumulative impact of development and assess the positives and negative impacts of the scheme against other alternatives. Southwark Council also considers that LPAs are best placed to assess the SEA and how the cumulative impacts of the proposals would affect their local areas. LPAs are therefore also best placed to determine whether the assessment of alternatives is appropriate and realistic and should be involved in the SA process from the start.

Southwark Council wishes to reiterate the findings of the commission and ask for a further assessment of the wider impacts of the proposal, in social, economic and environmental terms.

8. The National Planning Policy Statement (NPS) for Waste Water

When published, the NPS for Waste Water will set out the Government policy for the provision of the major waste water infrastructure, including the Thames Tunnel project. In accordance with the Planning Act 2008, the NPS will be used by the Infrastructure Planning Commission to guide its assessment on development consent applications, including the Thames Tunnel. It will therefore be a key document in the decision making process.

While not the subject of the current consultation, it should be noted that it is Southwark’s view that the National Policy Statement (NPS) on Waste Water should not pre-empt the role of the planning process to determine whether the Thames Tunnel meets the criteria for major waste water developments. Southwark objected to Defra’s consultation on the draft NPS on those grounds.

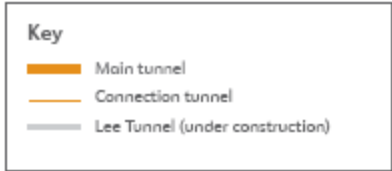
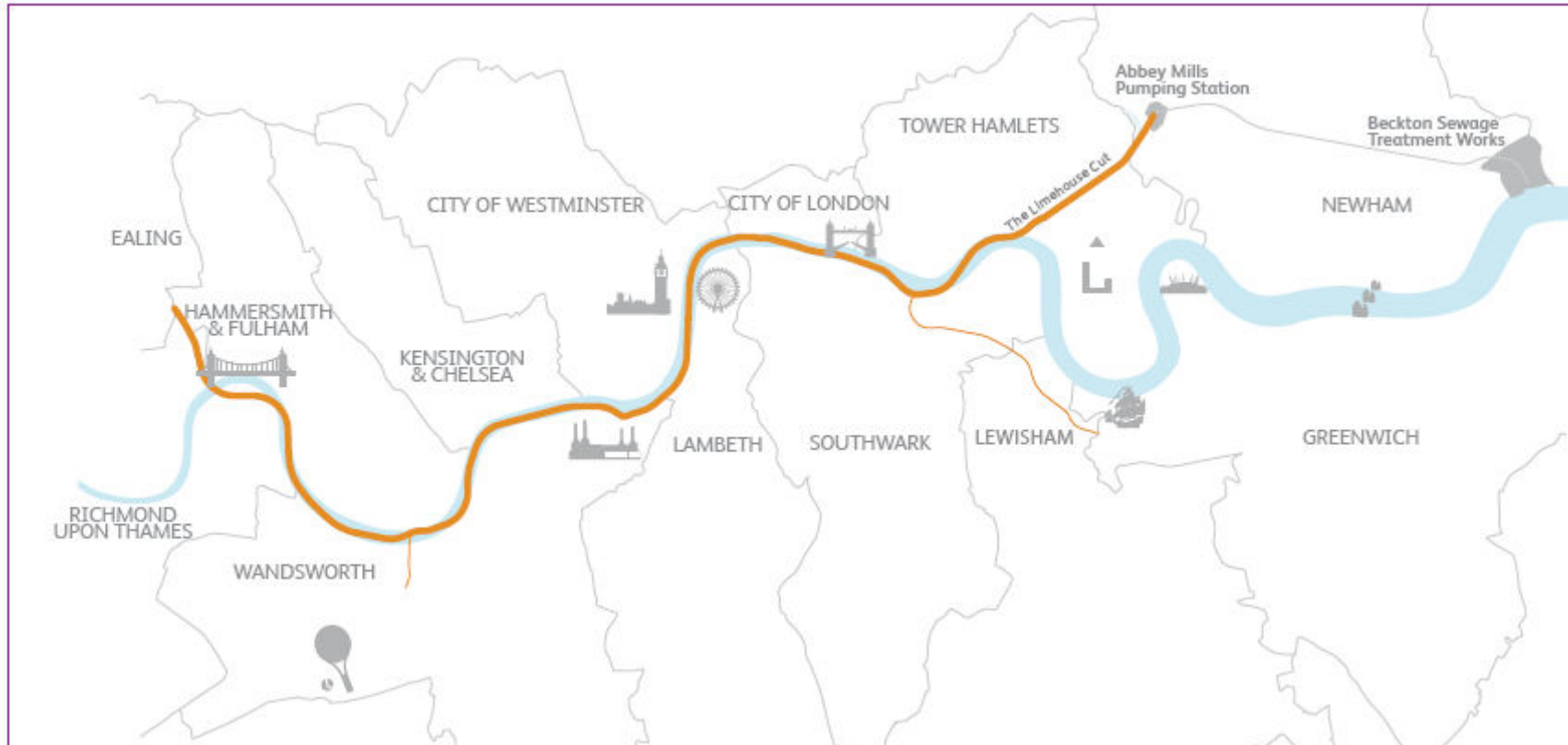
We trust that these comments will be given due consideration in the preparation of the development consent order for submission to the IPC.

Yours faithfully,

Appendix A: LBS' response to Thames Water's stage one consultation of the proposed route and sites of the Thames Tunnel, January 2011

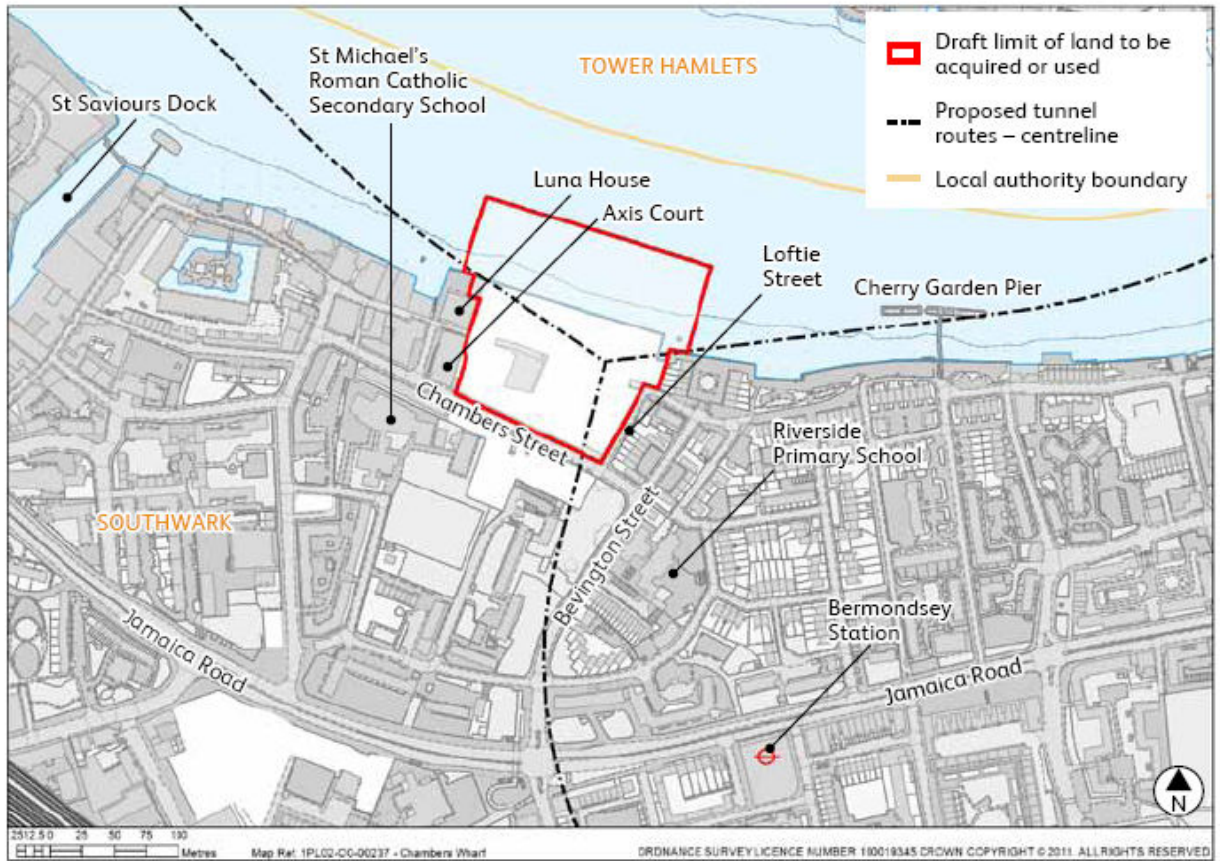
Appendix B: LBS' response to the EIA scoping report, July 2011

APPENDIX B: THAMES TUNNEL PROPOSED ROUTE



PLAN OF PROPOSED CONSTRUCTION SITE AND ILLUSTRATIVE DIAGRAM OF PERMANENT BUILDINGS AT CHAMBER'S WHARF

Chambers Wharf Site Location Plan

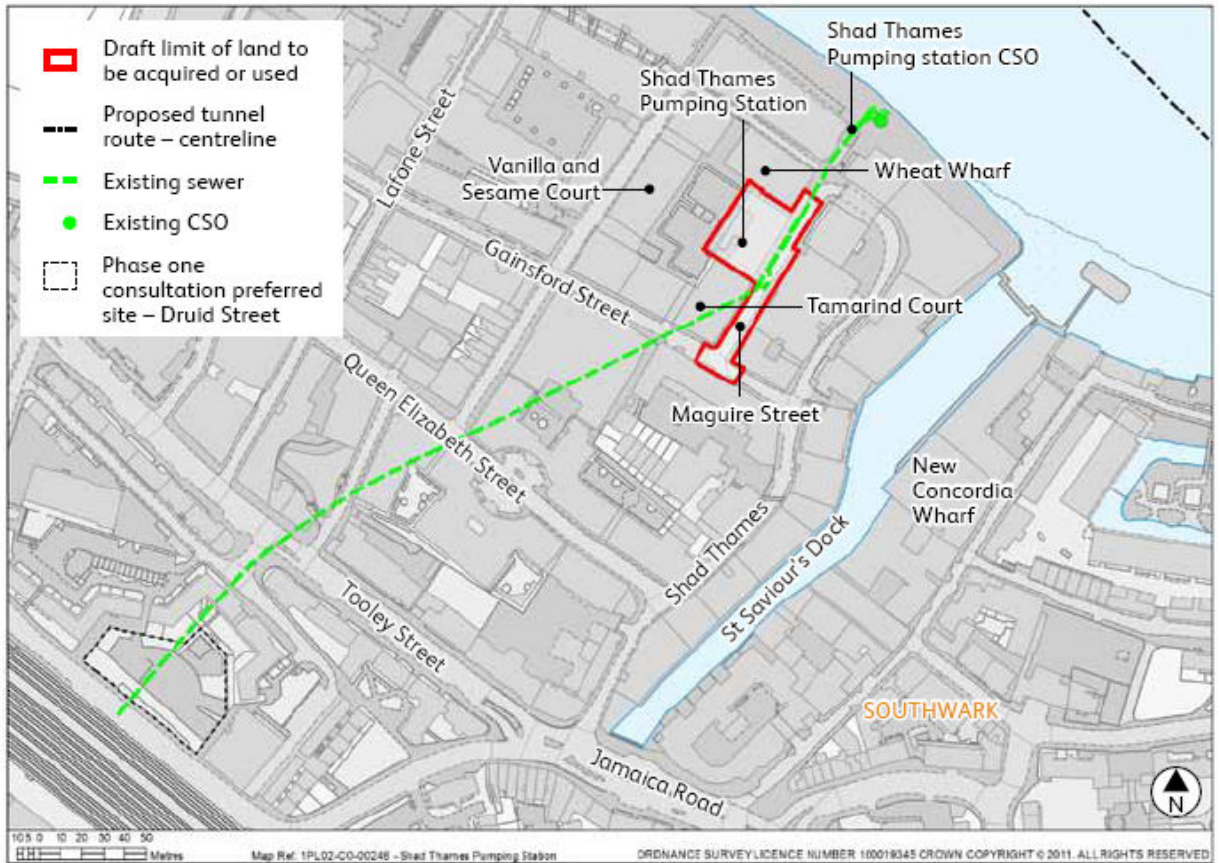


Artists impression of site after works are completed

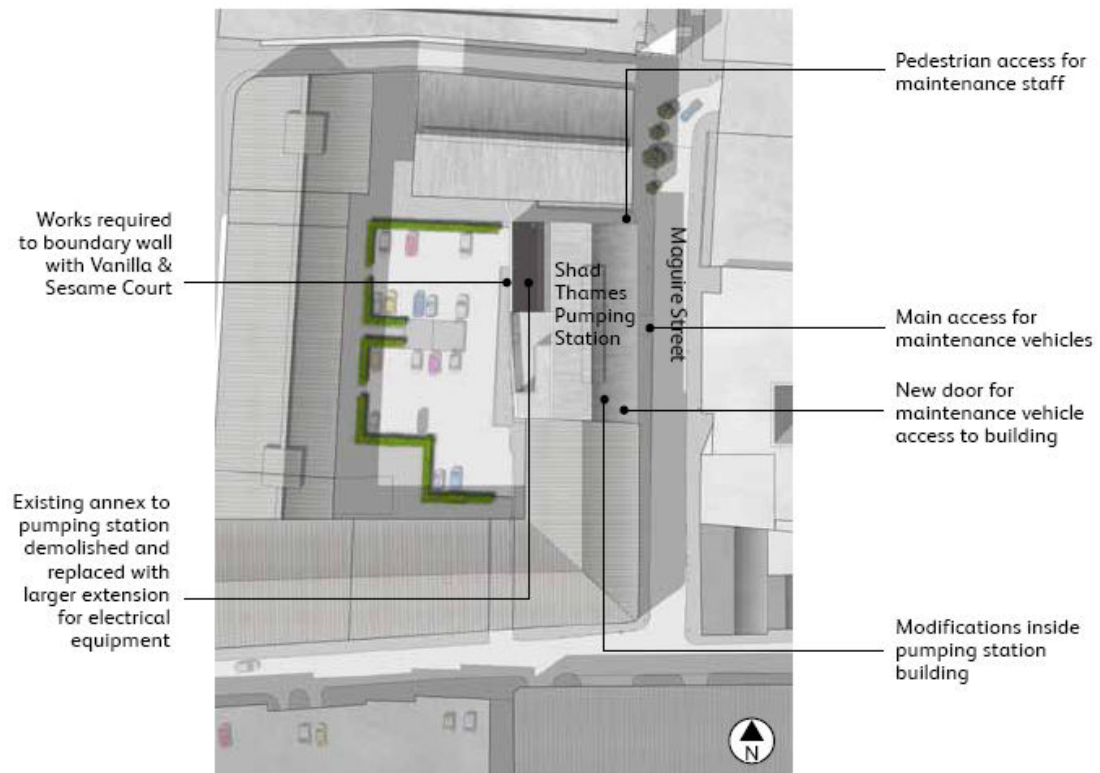


PLAN OF PROPOSED CONSTRUCTION SITE AND ILLUSTRATIVE DIAGRAM OF PERMANENT BUILDINGS AT SHAD THAMES PUMPING STATION

Shad Thames Pumping Station Site Location Plan



Layout of site once construction works are complete



Item No. 13.	Classification: Open	Date: 24 January 2012	Meeting Name: Cabinet
Report title:		Canada Water Area Action Plan	
Ward(s) or groups affected:		Surrey Docks, Rotherhithe, Livesey	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

After a lengthy process which started in 2007, the council has now received the planning inspector's report on the Canada Water area action plan (AAP). The council is not able to make any changes to the inspector's recommendations that alter the substance of the plan and I am recommending that cabinet should recommend adoption to council assembly.

The plan establishes a vision and framework to ensure sustainable growth in the Canada Water area over the next 15 years. The agreement of the plan will mean that the council has a clear framework to work to as the regeneration of this area takes shape. Importantly, the plan requires development to contribute to funding key infrastructure improvements, including improvements to the Lower Road traffic gyratory, which are needed to support growth of homes in the area.

While the inspector endorsed the council's view that much of the AAP area should be designated as a suburban density zone (with fewer new homes on site), his recommendation is that the Quebec Industrial Estate and other sites on Quebec Way should be located in the core area of growth, meaning the area could develop a more urban character. This is disappointing as it was the council's view that lower suburban residential densities would be more appropriate for those specific sites, however I believe on balance the plan should still be adopted.

During the examination in public last year, the Daily Mail Group confirmed its intention to vacate the Harmsworth Quays print works by 2014. Although the plan has been amended to make this explicit, we will need to go further and review elements of this plan in the light of this new opportunity in the heart of the area. Informal consultation on issues and options will start in spring 2012 and we hope to adopt the changes in 2014.

RECOMMENDATIONS

That cabinet

1. Consider the report of the Planning Inspector on the Canada Water Area Action Plan (Appendix 1).
2. Recommend that council assembly adopt the Canada Water Area Action Plan (Appendix 2) incorporating the recommendations of the Inspector.

3. Note the consultation report (Appendix 3), sustainability appraisal (Appendix 4) and equalities impact assessment (Appendix 5)

BACKGROUND INFORMATION

4. The council is preparing an area action plan (AAP) for Canada Water and the surrounding area. The AAP will help shape the regeneration of Canada Water. Like the core strategy it must be a spatial plan and concentrate on how change will be managed and achieved. Once adopted by council assembly it will be a development plan in the council's local development framework (LDF) and will be used as the basis for determining planning applications in the area. Together with the core strategy and other local development framework documents, it will replace relevant parts of the Southwark Plan.
5. Work on the plan commenced in late 2007. Between November 2008 and February 2009, the council consulted on issues and options for the plan and this was followed by consultation on preferred options between July and October 2009. On 27 January 2010, council assembly determined to publish and submit the Canada Water publication draft to the Secretary of State for examination in public (EIP). The council invited representations as to soundness of the Canada Water publication/submission version between 29 January 2010 and 12 March 2010. The draft submission Canada Water AAP, together with a table of proposed minor changes was submitted to the Secretary of State at the end of March 2010.
6. On 28 January 2011 the council received the inspector's report on the core strategy. In the light of the report, it was resolved at council assembly on 6 April 2011 to invite comment on further changes to the AAP in respect of minimum dwelling sizes and three additional sites of importance for nature conservation. The council duly consulted over a 6 week period on the further changes and consultation closed on 2 June 2011.
7. The Secretary of State appointed a Planning Inspector to hold an EIP into the Canada Water AAP as required by the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning Local Development Regulations (England). Public hearings took place over 6 days between 2 August and 11 August 2011.
8. Under the terms of Section 20 (5) of the Planning and Compulsory Purchase Act 2004, the purpose of the EIP of a development plan document is to determine:
 - a. Whether it satisfies the requirements of s19 and s24 (1) of the 2004 Act, the regulations under section 17 (7) and any regulations under section 36 relating to the preparation of the document; and
 - b. Whether it is sound (in terms of paragraph 4.51-4.52 of Planning Policy Statement 12 – Local Spatial Planning (PPS12))
9. The Inspector issued his report on 22 November 2011. It contains an assessment of the AAP in terms of the above matters, along with recommendations and the reasons for them, as required by s20 (7) of the 2004 Act.
10. During the hearings the council proposed a number of minor amendments to the AAP which sought to overcome outstanding objections made by representors and to factually update the plan. In addition to the changes proposed by the

council during the hearings, the inspector recommends two further changes: that the Quebec Industrial Estate, 24-28 Quebec Way and the vacant car park are taken out of the suburban density zone and located in the core area and that the area around Needleman Street is taken out of the suburban density zone and redesignated as an urban zone (these are shown on the map in Appendix 6 of this report).

11. The Inspector has concluded that with these minor changes the AAP can be considered sound, that it satisfies the requirements of s20 (5) of the Planning and Compulsory Purchase Act 2004 and that it accords with the advice in PPS12.
12. From January 2012, the Localism Act 2011 amends section 23 of the Planning and Compulsory Planning Act 2004 so that the council does not have to implement inspector's recommendations. It may make modifications, so long as these do not have any material impact on the policies in the plan.

KEY ISSUES FOR CONSIDERATION

Key principles in the AAP

13. The purpose of the AAP is to set out a vision and policy framework to guide development over the next 15 years. The main issues addressed in the AAP are set out below.
14. Town centre: Canada Water has around 40,000 sqm of shopping floorspace. The AAP promotes the reconfiguration or redevelopment of key sites, including the shopping centre, the Surrey Quays Leisure Park and the Decathlon Site to increase the amount of shopping space by around 35,000 sqm. Southwark's 2008 retail study suggested that the majority of expenditure which is generated in the borough and which is spent on comparison goods (clothes, footwear, music, books etc) is spent outside the borough. The study suggests that around 30,000sqm of new comparison goods floorspace could be provided at Canada Water, without harming neighbouring centres, including Elephant and Castle and Peckham.
15. Places: The town centre is currently characterised by bland and lifeless architecture. A key objective of the AAP is to create a centre which is more distinctive with the Canada Water basin as its focus. The AAP seeks to ensure that a range of heights are provided in the core area, generally up to 10 storeys. The exception to this includes a building of comparable height to the Canada estate towers on Site A, and a building of around 10-15 storeys on the south-west corner of the shopping centre. The tall buildings would act as landmarks in the area and help mark the town centre and key locations such as the new plaza and the tube stations. They can variety to the character of an area and help make the skyline more interesting. It is very important that they are of the highest architectural quality and that they are designed carefully to avoid overshadowing or wind tunnel effects.
16. Better homes: The London Plan and emerging core strategy require the provision of at least 2,500 new homes in the Canada Water core area in the period between 2011 and 2026. The AAP shows how this target will be met by estimating the capacities of all sites. Over the AAP area as a whole, more than 3,000 new units will be provided. The majority of the AAP area would be designated as a suburban density zone, with densities generally up to 350

habitable rooms per hectare allowed. Within the core area around the town centre, densities generally up to 700 habitable rooms per hectare would be allowed. Higher densities would be permitted where development demonstrates an exemplary standard of design and accommodation.

17. 30% of new homes in the wider peninsula and 20% of new homes in the action area core should be family homes with 3 or more bedrooms. In line with the core strategy, 35% of new homes should be affordable.
18. Social and community infrastructure: The AAP promotes a cluster of businesses uses around Harmsworth Quays printworks. This would equate to around 12,000sqm of new office/studio space. The AAP requires also provision of health uses on the shopping centre and overflow car park site and will continue to work with NHS Southwark on this aspect of the plan.
19. Over the lifetime of the plan, increases in population may mean that primary school provision needs to expand. Albion Street Primary School, which is currently single form of entry, is identified as a school which could expand to accommodate two forms of entry.
20. Rotherhithe Primary School is identified as a potential site for a new secondary school if needed. Southwark's current Pupil Place Planning concludes that new Year 7 places will be required borough wide from September 2016, with 5 forms of entry, or 750 places, required by 2019/20 – that represents 150 additional Year 7 places.
21. It is considered by the council that these places should be provided in SE16 to respond to and support the ongoing regeneration in the area. In October 2011 the Department for Education (DfE) advised that a 700 place University Technical College (UTC) for 14-19 year olds based at Southwark College's Bermondsey site will proceed to the pre-opening stage of the UTC development process with a view to it being open in September 2012. The DfE further advised that a Compass Free School application for a 500 place mixed 11-16 secondary school, with the potential for a future sixth form offer, will also proceed to the next stage of the free schools process.
22. Neither proposal individually or combined fully responds to the identified need for additional places with a shortfall of places still anticipated towards 2019. The DfE have accepted that a further 100 places will be required and have proposed that these be met through an expansion of an existing school or of the proposed Compass Free School.
23. Improved transport links: Lower Road is very congested at peak times when there is a conflict between local and through traffic. The traffic gyratory around Lower Road, Bush Road, Rotherhithe Old Road and Rotherhithe New Road creates a poor environment for residents who live around it and the town centre area is poorly connected to the wider peninsula. The AAP is proposing a number of measures to help improve the situation and also to accommodate growth. These measures include the reintroduction of two-way traffic movement on Lower Road, the introduction of a right-hand turn into Surrey Quays Road off Lower Road and the signalisation of the roundabout at the entrance to Rotherhithe Tunnel. The council is working with TfL and Lewisham to ensure that these proposals can be delivered. It is anticipated that the cost of these improvements would need to be raised through s106 or community infrastructure levy (CIL). Improvements will also be sought for improvements to public realm

and walking/cycling facilities.

24. Green infrastructure: The AAP proposes new open spaces in the core area, including the plaza outside the new library. In addition, the AAP proposes converting the Former Nursery into a public open space. St Paul's Sports Ground is allocated as open space and possibly a community use. The AAP designates three additional sites of importance for nature conservation: King's Stairs Gardens, Deal Porter's Walk and Durands Wharf. The AAP envisages that s106 funding or the CIL will be likely to come forward for open space improvements within the plan period.

Changes proposed by the council during the hearings

25. During the hearings the council proposed a number of minor amendments to the AAP which sought to overcome outstanding objections made by representors and factually update the plan. The main changes are set out below.
26. Harmsworth Quays: During the EiP, the Daily Mail group confirmed its intention to vacate the Harmsworth Quays print works by 2014. The plan has been amended to make this explicit. It also clarifies that the council will review elements of the plan post-adoption. Informal consultation on issues and options will take place over spring and summer 2012 and the council envisages consulting on a preferred option in autumn 2012. The publication version would be subject to consultation in 2013 and subsequently submitted to the Secretary of State for a formal examination-in-public. Adoption of the changes would be anticipated in 2014.
27. Density: Minor amendments were proposed to the policy on density which confirm the key criteria to identify the core area are: capacity for growth, accessibility to public transport and the character of the area.
28. Transport: The words "road network" in AAP policy 33 on s106 were substituted for "surface transport network". This change was agreed with TfL prior to the hearings. This meets the GLA's concern that the wording of the policy did not give sufficient priority to public transport improvements. It also enables Southwark to continue to prioritise improvements to the highway network around Lower Road.
29. Status of diagrams: Surrey Quays Ltd (SQL) sought clarification in the AAP that the figures in the plan are indicative. Minor amendments were proposed to confirm this.
30. Parking: SQL also raised a concern about parking policies in the plan. SQL indicated that policy 9 on parking should recognise London Plan policy 6.13 which suggests that parking policy may be flexed where it can be demonstrated that this is needed to support the vitality and viability of the centre. A change was proposed to the AAP which cross refers back to the London Plan.
31. Leisure and schools: Factual updates were made regarding investment in the 7 Islands leisure centre and with regard to pupil planning and funding for schools.
32. Open spaces: An amendment was proposed to policy 18 on open spaces to refer to a commitment to maintain park provision of at least 1.22ha per 1000 population. This was a key finding of the draft open spaces strategy. It would not entail the provision of new space, but would focus on improving the quality of

existing spaces. This approach is considered to be reasonable given the quantity and quality of existing spaces in the area.

33. These changes are minor in nature and are not considered to change the substance of the AAP.

Additional changes recommended by the inspector

34. The Inspector recommends two further changes: that the Quebec Industrial Estate, 24-28 Quebec Way and the vacant car park to the north of 24-28 Quebec Way are taken out of the suburban density zone and located in the Core Area and that the area around Needleman Street is taken out of the suburban density zone and redesignated as an urban zone. This recommendation potentially increases the density which can be achieved by developments on sites in these areas.
35. The council argued during the hearings that these areas, due to their relationship with Russia Dock Woodland and their existing character, should be included in the suburban zone. The inspector however took the view that given the level of opportunity on the Quebec Way sites, their existing uses and relationship with Harmsworth Quays and other large development sites that they should be in the core area. As is noted above, this allows densities up to 700 habitable rooms per hectare. It is important to note however that the inspector states that "It must be reiterated that such a change does not equate to an unwarranted high density of redevelopment given their more peripheral location and close proximity to the important MOL of Russia Dock Woodland" (paragraph 26).
36. The Inspector also concludes that the area around Needleman Street should be located in an urban zone (with densities also up to 700 habitable rooms per hectare). The impact of this is expected to be limited as there are currently no development sites in this area.
37. While it is disappointing that the inspector recommended the change to the core area boundary, this should not deter the council from adopting the AAP. Overall, the AAP provides a strong basis for making planning decisions and will ensure that the necessary infrastructure, including improvements to the highway network, can be put in place to accommodate growth.

Community impact statement

38. The purpose of the AAP is to facilitate regeneration and deliver the vision of Southwark 2016 in a sustainable manner ensuring that community impacts are taken into account.
39. In preparing the AAP, the council completed equalities impact assessment (EqIA) report (Appendix 5). This highlighted the AAP would have a number of beneficial impacts. It noted with regard to transport that the AAP approach in principle would benefit all members of the community. Car ownership levels tend to be lower among the young and elderly. Therefore a policy which seeks to promote walking and cycling, creating routes which are safe from conflict with vehicles, which prioritises non-car users, and which also maximizes opportunities to use public transport should benefit these groups in particular, promoting inclusivity and equality of access to jobs and services.
40. The approach to jobs and business would have positive impacts by creating local

jobs which all members of the community will be able to access. Focusing on office and light industrial space instead of larger industrial units will provide more of a wide range of jobs for different equalities groups such as young people, women and disabled people who may be more likely to pursue jobs in office environments. Employment and training opportunities created by new development will be targeted at local people. This will have a particularly positive effect on young people, particularly school leavers who live in the area and want to work locally.

41. The aim of the AAP to provide facilities to support the growing population. This includes new health facilities, a new school, improved sports provision, leisure facilities and the protection of existing leisure facilities, youth provision and new community facilities. This approach will have a positive impact on all members of the community as access to local services help to create good community relations and improve satisfaction with the local area. Locating new community facilities together will have a positive impact on young people, the elderly and disabled people who may be less likely to have access to a car to get to different facilities.
42. The equalities impact assessment was updated in March 2011 to take into account the further changes (Dwelling sizes and sites of importance for nature conservation) which the council consulted on in 2010. The EqIA found that the minimum dwelling size standards would benefit all residents, in terms of the quality of accommodation provided, but in particular those with protected characteristics.
43. Maintaining a network of well used, high quality open spaces will benefit all residents including those with protected characteristics by ensuring everyone has access to outdoor space. The designation of sites as sites of importance for nature conservation will raise the profile of these areas in terms of their contribution to biodiversity and role as an ecological resource.
44. The EqIA has been finalised to take into account the changes recommended by the inspector. Because these are very minor in nature their impact on groups with protected characteristics is expected to be negligible. The impact of the changes to the boundaries of the density zone would be broadly neutral. It would potentially result in more homes being provided which would help meet housing need. This would be balanced the additional pressure which could be placed on social and community infrastructure. However, the plan will be monitored to ensure that needs for social and community infrastructure are kept under review.

Sustainability appraisal

45. A sustainability appraisal (Appendix 4) has been prepared to ensure the wider impacts of development are addressed. The sustainability appraisal has informed the decision making process to facilitate the evaluation of alternatives and has helped to demonstrate that the plan is the most appropriate given the reasonable alternatives. At each stage of plan preparation the council appraised the options to ensure that the approach taken forward has the most positive impact; environmentally, socially and economically. The final approach taken forward through the area action plan is considered to be the most effective at achieving sustainable development.
46. The results of the SA show that the overall impact is predominantly positive. Some minor negative impacts have been identified particularly in relation to

sustainable development objective (SDO) objectives relating to climate change, air quality, waste and vulnerability to flooding.

47. The negative impacts largely relate to the environmental impact as a result of the quantum of new development. Mitigation measures have been identified, which will need to be put in place to minimise the impacts. With regard to flood risk, a large proportion of the AAP area falls within the flood zone but it is recognised that it is necessary to develop here as there is a lack of developable land that is not within the flood zone. Flood risk assessments and flood resilient design will need to be proposed as part of the planning applications.
48. The SA has been finalised to take into account changes recommended by the inspector. These are minor in nature and have little impact on the overall sustainability of the plan. As in the case of the EqIA, the recommended changes to the density zone boundaries have a largely neutral impact. There are no development sites in the new urban zone and therefore this change is likely to have little impact on the sustainability of the plan. There are three sites within the extension to the core area. Two of the sites are identified in the plan and have mixed use allocations in the AAP. The third site will be released as a result of the Harmsworth Quays move. The core area designation may result in an uplift in density on the sites. The capacity estimate in the AAP for the Quebec Industrial Estate, the largest site, is for approximately 250 homes (389 habitable rooms per hectare). The council is currently considering a planning application proposal for 366 homes (517 habitable rooms per hectare), representing an uplift of 116 homes. The core area density policy allows for densities between 350 habitable rooms per hectare and 700 habitable rooms per hectare and therefore it is difficult to say with certainty what the eventual uplift across the three sites will be. The change would have a benefit to SDO 15 which relates to housing and is counterbalanced by the potential to harm SDO 11 which relates to the quality of landscape and townscape. Overall, in view of the fact that there are only three development sites in the density zones which are subject to change and in a context in which over 3,400 new homes will be provided across the AAP area, the overall impact on the plan would be small, particularly given that there are strong design policies in the core strategy which ensure that development must respect the character of surrounding areas.

Financial implications

49. This report is seeking cabinet to consider the binding report of the planning inspector on the Canada Water Area Action Plan (Appendix 1); recommend that council assembly adopt the Canada Water Area Action Plan (Appendix 2) incorporating the binding recommendations of the Inspector and note the consultation report (Appendix 3), sustainability appraisal (Appendix 4) and equalities impact assessment (Appendix 5).
50. There are no immediate financial implications arising from:
- Consideration of the planning inspector's binding report and other amendments to the original planning policy document;
 - The adoption of the Canada Water Area Action Plan in its current amended form; and
 - Making a noting the consultation and other supporting reports.
51. All the background work that has fed into the amendment has been completed by existing establishment staff and resources within the planning policy team. Any

additional work required to finalise the policy document or in response to additional queries will be done by the policy team without call on additional funding or resources.

52. Any potential additional costs from any specific proposals emerging from the adoption of the plan to the document or any queries thereof shall be submitted as separate reports for consideration in line with the appropriate protocols.

Consultation

53. Consultation has been carried out at all previous stages of preparing the AAP:
- Sustainability appraisal scoping report (March 2008) – this was subject to a 6 week consultation from 14 March 2008 to 25 April 2008
 - An issues and options report– this was published in January 2009 and sets out a number of options for future development in the AAP area. This was subject to a 12 week consultation period. An interim sustainability appraisal and stage 1 equalities impact assessment were also published in January 2009 and subject to the same consultation period.
 - A preferred options report – this was published 21 July 2009 and sets out the preferred option for future development in the AAP area. This was subject to a 15 week consultation period. Formal consultation took place from 1 September 2009 to 6 November 2009. A sustainability appraisal and stage 2 equalities impact assessment were also published in July 2009 and subject to the same consultation period.
 - Publication/submission AAP: This was published in December 2009. Formal consultation commenced on 29 January 2010 for six weeks. The equalities impact assessment and the sustainability appraisal were updated to reflect any changes.
 - Further changes: The council invited the public to make representations to the Inspector on the Further changes to the Canada Water AAP (Dwelling sizes and sites of importance for nature conservation) in March 2011. Formal consultation commenced on Friday 22 April 2011 and closed on Thursday 2 June 2011.
54. All consultation was carried out in accordance with the consultation strategy for Canada Water and our statement of community involvement. Methods of consultation included press notices, notification letters sent to around 3000 contacts on the planning policy team's database, presentations and workshops at Rotherhithe community council, exhibitions and focus groups. Further information is available in the consultation report in Appendix 3 of this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

Functions and responsibilities

55. Under Part 3F, paragraph 1 of the Southwark Constitution, it is the function of planning committee to comment upon the adoption of local development framework documents (LDF's) and to make recommendations to cabinet in relation to LDF documents such as the Canada Water AAP.
56. Under Part 3B of the constitution, cabinet has responsibility for formulating the council's policy objectives and making recommendations to council assembly.

More specifically, the function of approving preferred options of DPDs, which form part of the LDF, is reserved to Cabinet (Para 20, Part 3C).

57. The Canada Water AAP is now at the adoption stage. By virtue of Regulation 4(1), paragraph 3(d) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (“the 2000 Regulations”) (as amended by the Local Authorities (Functions and Responsibilities) (Amendment) (No 2) (England) Regulations 2005 - Regulation 2, paragraph 4) the approval of a DPD is a shared responsibility with council assembly and cannot be the sole responsibility of cabinet.
58. Accordingly, members of cabinet are requested to consider the content and recommendations of the binding Inspector’s Report in respect of the adoption of the CWAAP and accompanying documents, and recommend to council assembly that the CWAAP be adopted together with the accompanying sustainability appraisal.
59. Under Part 3A, paragraph 10 the function of adopting development plan documents is reserved to council assembly. Accordingly, council assembly will upon recommendations from planning committee and cabinet be requested to adopt the AAP with the Inspector’s binding recommendations. Notably the Inspector endorses the CWAAP as sound with two key recommended changes: -
 - That the Quebec Industrial Estate, 24-28 Quebec Way and the vacant car park to the north be taken out of the **suburban area** and located in the **core area**;
 - That the area around Needleman Street is removed from the **suburban zone** and re-designated as an **urban zone**;
60. From 15 January 2012, section 112 of the Localism Act 2011 amends section 23 of the Planning and Compulsory Planning Act 2004 so that the council does not have to implement Inspector’s recommendations. The council will still only be able to adopt a development plan document if the Inspector has recommended adoption, as is the case with the CWAAP. The council will also be able to make non-material modifications that taken together do not materially affect the policies set out in the CWAAP before adoption. Section 112(6) of the Localism Act 2011 specifies that these amendments to the Planning and Compulsory Purchase Act 2004 apply to all adoptions of DPDs that take place after coming into force of section 112, including an adoption where steps in relation to the document have taken place before then. The CWAAP falls into the latter category and could be adopted by members as recommended by the Inspector and / or with non-material modifications.

Examination in public

61. Regulation 7 of the Town and Country Planning (Local Development) (England) Regulations 2004 (‘the Regulations’) provides that an area action plan must be a development plan document (“DPD”). The CWAAP is identified as a DPD in the council’s revised local development scheme, which came into effect in June 2011.
62. As set out in the report, the CWAAP was subject to an examination in public (EiP) by a planning inspector appointed by the Secretary of the State in August 2011.

63. The purpose of the independent examination is set out in section 20(5) of the 2004 Act. This is required to determine whether the submitted DPD has been prepared in accordance with:
- Certain statutory requirements under s19 (as to preparation) & s24(1) (as to conformity with regional / London Plan policies) of the 2004 Act and
 - The associated regulations (*The Town and Country Planning (Local Development) (England) Regulations 2004; SI.2004 No. 2204*); and whether it is sound.
64. In making an assessment of soundness, the CWAAP was examined against the requirements set out in Planning Policy Statement 12 – Local Spatial Planning (PPS 12) – namely as to whether it is justified, effective and consistent with national policy.
65. The Inspector concluded in his decision dated 22 November 2011 that the CWAAP is considered to be sound subject to his recommended amendments set out in his report. Members can adopt the CWAAP as recommended by the Inspector or with modifications that (taken together) do not materially affect the policies set out in the AAP under section 23(2) Planning and Compulsory Purchase Act 2004 as amended by the Localism Act 2011.

Sustainability appraisal

66. Section 19(5) of the Planning and Compulsory Purchase Act 2004 requires sustainability appraisal of the economic, social and environmental sustainability of plans in DPDs. Accordingly, a sustainability appraisal was prepared to ensure the wider impacts of the CWAAP policies are addressed. The sustainability appraisal provides a sound evidence base for the plan and forms an integrated part of the plan preparation process. The iterative sustainability appraisal in respect of the CWAAP has informed the evaluation of reasonable alternatives. The Inspector concluded that the iterative SA process “has been consistently undertaken from initial issues and options through to submitted AAP and... included the pre-examination changes proposed...”
67. The iterative sustainability appraisal has fully informed the preparation of the CWAAP and is recommended for adoption by Members. The SA should be expressly adopted along with the CWAAP and must have a separate adoption statement pursuant to Environmental Assessment of Plans and Programmes Regulations 2004, regulation 16 (3) and (4) which summarises “...*how environmental considerations have been integrated into the plan or programme... the reasons for choosing the plan or programme as adopted, in light of other reasonable alternatives dealt with, and the measures decided that are taken to monitor the significant environmental effects...*” .

Equalities

68. The Equality Act 2010 brought together the numerous acts and regulations that formed the basis of anti-discrimination law in the UK. It provides for the following “protected characteristics”: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation. Most of the provisions of the new Equality Act 2010 came into force in October 2010 (“the 2010 Act”).
69. In April 2011 a single “general duty” was introduced namely the Public Sector

Equality Duty (PSED). Merging the existing race, sex and disability public sector equality duties and extending the duty to cover the other protected characteristics namely age, gender reassignment, pregnancy and maternity, religion or belief and sexual orientation, (including marriage and civil partnership).

70. The single public sector equality duty requires all public bodies to “eliminate unlawful discrimination, harassment and victimisation”, “advance equality of opportunity between different groups” and “foster good relations between different groups”.
71. Disability equality duties were introduced by the Disability Discrimination Act 2005 which amended the Disability Act 1995. The general duties in summary require local authorities to carry out their functions with due regard to the need to:
- (a) “Promote equal opportunities between disabled persons and other persons;
 - (b) Eliminate discrimination that is unlawful under the Act
 - (c) Eliminate harassment of disabled persons that is related to their disabilities;
 - (d) Promote a positive attitude towards disabled persons
 - (e) Encourage participation by disabled persons in public life; and
 - (f) Take steps to take account of disabled person’s disabilities even where that involves treating disabled persons more favourably than other persons”
72. The production and examination of the CWAAP has straddled this process. However, the council’s approach to equalities has always been broader than that required under previous legislation by protecting the now extended ‘protected characteristics’. Therefore in terms of approach the Equality Act 2010 does not represent a significant change.
73. Throughout the production process of the CWAAP from issues and options, preferred options to a publication / submission, the council has undertaken thorough iterative equalities impact assessment (EqIA) involving the council’s equality and diversity panel including assessment of borough’s demographics and the potential impacts of the plan on its diverse communities with particular regard to its equalities duties. The council’s EqIA processes extend beyond its current statutory equalities duties to incorporate religion/belief, sexual orientation and age. It is notable that the Inspector’s report deemed the council’s iterative equalities assessment evidence to be adequate.

General conformity of the CWAAP

74. Section 24(1)(b) of the Planning and Compulsory Purchase Act 2004 requires that local development documents (LDDs) issued by the council, such as the CWAAP, must be in general conformity with the spatial development strategy, namely the London Plan 2011. On submission of the final draft of the CWAAP to the Secretary of State for independent examination, the council sought the Mayor’s opinion in writing as to whether the CWAAP was in general conformity (Reg 30, the Regulations). Accordingly the Mayor and the Inspector following examination have both confirmed that the CWAAP is in general conformity with the London Plan.

Soundness of the CWAAP

75. Under the Planning and Compulsory Purchase Act 2004 S 20(5)(a) the Inspector

has examined the CWAAP on behalf of the Secretary of State to ensure that the plan complies with the legislative framework and is otherwise sound. Section 20(5)(b) of the Act requires the Inspector to determine whether the plan is 'sound' and:

- a. Has been prepared in accordance with the local development scheme;
- b. Is in compliance with the statement of community involvement and the Regulations;
- c. Has been subject to sustainability appraisal;
- d. Has regard to and is consistent with national policy;
- e. conforms generally to the London Plan;
- f. Has regard to other relevant plans, policies and strategies such as other DPDs which have been adopted or are being produced by the council;
- g. Has been subject to an Appropriate Assessment pursuant to the Habitats Directive to ensure that the CWAAP or any of its policies are not likely to have any significant discernible impacts on European protected species;
- h. Has regard to any sustainable community strategy for its area; and
- i. Has policies, strategies and objectives which are coherent, justified, consistent and effective.

76. Subject to his recommendations and amendments, the Inspector was satisfied that the CWAAP is sound and complies with statutory requirements.

Human rights considerations

77. The decision to adopt the CWAAP potentially engages certain human rights under the Human Rights Act 2008 (the HRA). The HRA prohibits unlawful interference by public bodies with conventions rights. The term 'engage' simply means that human rights may be affected or relevant. In the case of the CWAAP, a number of rights may be engaged: -

- **The right to a fair trial (Article 6)** – giving rise to the need to ensure proper consultation and effective engagement of the public in the process;
- **The right to respect for private and family life (Article 8)** – for instance the CWAAP has opted for a combined growth 'core areas' and housing growth approach which impacts on housing provision, re-provision or potential loss property / homes. Other considerations may include impacts on amenities or the quality of life of individuals;
- **Article 1, Protocol 1 (Protection of Property)** – this right prohibits interference with individuals' right to peaceful enjoyment of existing and future property / homes. It could be engaged, for instance, if the delivery of any plan necessitates CPOs or results in blight or loss of businesses/homes;
- **Part II Protocol 1 Article 2 Right to Education** – this is an absolute right enshrining the rights of parents' to ensure that their children are not denied suitable education. This is a relevant consideration in terms of strategies in the plan which impact on education provision.

78. It is important to note that few rights are absolute in the sense that they cannot be interfered with under any circumstances. 'Qualified' rights, including the Article 6, Article 8 and Protocol 1 rights, can be interfered with or limited in certain circumstances. The extent of legitimate interference is subject to the principle of proportionality whereby a balance must be struck between the legitimate aims to be achieved by a local planning authority in the policy making

process against potential interference with individual human rights. Public bodies have a wide margin of appreciation in striking a fair balance between competing rights in making these decisions.

79. This approach has been endorsed by *Lough v First Secretary of State* [2004] 1 WLR 2557. The case emphasised that human rights considerations are material considerations in the planning arena which must be given proper consideration and weight. However, it is acceptable to strike a balance between the legitimate aims of making development plans for the benefit of the community as a whole against potential interference with some individual rights.
80. Public bodies have a wide margin of appreciation in striking a fair balance between competing rights in making these decisions. The approach and balance between individual and community rights set out in the publication/submission is within justifiable margins of appreciation.
81. The council has undertaken robust public participation, iterative sustainability and equalities assessments throughout the production of the CWAAP as well as engaging with the issue of human rights at each decision making process. Therefore the CWAAP is not deemed to interfere with any human rights which may be engaged and strikes the appropriate balance between making strategic policies for its communities against any potential interference. In deciding upon the adoption of the CWAAP, members are reminded to have regard to human rights considerations and strive to strike a fair balance between the legitimate aims of making development plans for the benefit of the community against potential interference with individual rights.

Adoption process – procedural requirements

82. Members' are advised that should the CWAAP be adopted by council assembly, following the recommendation of cabinet, a number of statutory requirements will need to be complied with by the council. These requirements are set out in Regulations 35 and 36 Town and Country Planning (Local Development)(England) Regulations 2004 (as amended by the 2008 Regulations) and must be complied with as soon as reasonably practicable after the date of adoption.
83. In summary, Regulation 35(1) requires that the council complies with section 20(8) of the Planning and Compulsory Purchase Act 2004 to publish the Inspector's recommendations and reasons as follows :
 - (a) That the recommendations of the Inspector's report be deposited for the purposes of public inspection at the same venue that the pre-submission proposal documents were deposited;
 - (i) That Inspector's recommendations be published upon the council's web-site; and
 - (ii) That notification of publication be provided to those persons who requested to be notified of the recommendations publications.
84. Regulation 36 further provides that the council make available for inspection the following documents at the same place where the pre-submission documents were deposited:
 - a) The CWAAP;
 - b) An adoption statement, and

- c) The sustainability appraisal report
- d) Publish the adoption statement on the council's web-site;
- e) Give notice by local advertisement of the adoption statement and details of where it can be inspected
- f) Send the adoption statement to any person who has asked to be notified of the adoption of the CWAAP; and
- g) Send the CWAAP and adoption statement to the Secretary of State.

Application to the High Court

85. The CWAAP has been prepared in accordance with the relevant legislation and regulations. If adopted this final version will establish the strategic planning policy framework for Southwark. Under Section 113 of the 2004 Act, any party aggrieved by the adoption of the CWAAP may make an application to the High Court within 6 weeks of the publication of the adoption statement. Such applications may only be made on limited grounds namely that: -
- a) The document is not within the appropriate power; and / or
 - b) That a procedural requirement has not been complied with
86. Officers believe this risk is minimal. The Inspector has concluded the CWAAP has been prepared in accordance with the relevant regulations and guidance and due process has been followed.

Saved UDP policies

87. If this CWAAP is not adopted planning applications in the council's area will continue to be assessed against saved policies of the unitary development plan, namely the Southwark Plan 2007, the core strategy, such other specific DPDs that have been adopted by the council.

Finance Director

88. This report recommends that cabinet consider the report of the Planning Inspector on the Canada Water Area Action Plan, recommend that council assembly adopt the Canada Water Area Action Plan and note the consultation report, sustainability appraisal and equalities impact assessment.
89. The DFM notes that there are no immediate financial implications arising from the report but should subsequent costs arise, they will be the subject of a further report. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background paper	Held at	Contact
Core strategy April 2011	160 Tooley Street, London SE1 2QH	Sandra Warren 020 7525 5471
London Plan 2011	160 Tooley Street, London SE1 2QH	Sandra Warren 020 7525 5471

APPENDICES

No.	Title
Appendix 1	Inspector's report on the Canada Water AAP (report circulated separately on a supplemental agenda - appendices A and B of the inspector's report are available on the website)
Appendix 2	Proposed final version of the Canada Water AAP (circulated separately on a supplemental agenda)
Appendix 3	Consultation statement (available on the website)
Appendix 4	Sustainability Appraisal (available on the website)
Appendix 5	Equalities Impact Assessment (available on the website)
Appendix 6	CDCW28 - Inspector's recommended change to the boundary of the core area and proposed urban zone (circulated separately on a supplemental agenda)

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Tim Cutts, Acting Head of Planning Policy	
Version	Final	
Dated	13 January 2012	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Departmental Finance Manager	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		13 January 2012

Item No. 14.	Classification: Open	Date: 24 January 2012	Meeting Name: Cabinet
Report title:		Southwark Open Spaces Strategy	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

Southwark has a wealth of open space of different types including woodland, parks, community farms, Thames-side paths, and sports pitches. In a recent survey people were asked to rate the quality of open spaces across all open spaces in the borough. The majority of respondents rated all categories of open space in Southwark as being good or very good.

However, with a projected population increase of 19% over the next fifteen years and limited opportunities for the creation of new space, it is essential that the council maintains and improves the existing network of high quality open spaces.

The draft open space strategy provides a clear framework for the provision of open space in the borough. This will make up an important part of the evidence base needed in the preparation of planning policy documents. As well as setting out the vision and objectives for the borough, the open spaces strategy identifies key needs and priorities for the different types of open space. The strategy sets standards of open space for each type of open space and highlights the key priorities for investment and improvement.

If cabinet approves the recommendations this draft will go out for public consultation with a view to agreeing a final version of the strategy in September 2012.

RECOMMENDATIONS

That cabinet

1. Approve for consultation the open spaces strategy (Appendix A) and note the consultation plan (Appendix B), equalities impact assessment (Appendix C) and the sustainability appraisal (Appendix D).

BACKGROUND INFORMATION

2. The London Borough of Southwark is preparing an open spaces strategy for the borough. The aim of the project is to prepare a strategy that balances land supply for regeneration with the protection and creation of open space.
3. London Plan policy 2.18 requires boroughs to prepare an open spaces strategy and undertake audits of all forms of green and open space and assessments of need. This is consistent with national planning guidance set out in Planning Policy Guidance (PPG) note 17 (Planning for open space, sport and recreation).

Open space strategies should be both qualitative and quantitative and have regard to the cross-borough nature and use of many of these open spaces. They should cover all forms of open space, including privately owned open space and the interrelationship between these spaces. London Plan policy 2.18 also requires open space strategies to identify priorities for addressing deficiencies and set out positive measures for the management of green and open space.

4. In preparing the strategy, the council has reviewed the existing evidence base including the last open space study for the borough which was carried out by Scott Wilson in 2003, the subsequent open space audit (carried out in 2005) and the evidence base work undertaken in the open spaces study in 2010.
5. As part of this work, all spaces which are protected in the local development framework (LDF) were audited and additional spaces capable of meeting the criteria in the LDF were identified.
6. The final open space strategy is intended to provide a clear framework for the provision of open space in the borough. This will make up an important part of the evidence base needed in the preparation of LDF documents.

KEY ISSUES FOR CONSIDERATION

7. The open spaces strategy finds that Southwark is a borough that has a wealth of open space of different types including woodland, parks, community farms, Thames-side paths, and sports pitches. In total, Southwark has 207 open spaces which comprise some 595.9ha of land in the borough and accounts for 20.6% of the total land area. With a projected population increase of 19% over the next fifteen years and limited opportunities for the creation of new space, it is essential that the council maintains and improves the existing network of high quality open spaces.
8. The open spaces strategy sets out a vision for the borough to “encourage a diverse network of sustainable open space of high quality which meets the needs of those living and working within the borough and encourages the development of more inclusive communities, safeguards natural resources and cultural heritage, improves access to natural green space, provides recreational and educational opportunities and helps to promote sustainable development.”
9. A number of objectives have been set out in order to help us achieve this vision including protection of open space from development and ensuring new development includes provision of new open space where appropriate.
10. As well as setting out the vision and objectives for the borough, the open spaces strategy identifies key needs and priorities for the different types of open space. The strategy sets standards of open space for each type of open space and highlights the key priorities for investment and improvement. The different types of open space include: networks, chains and grids, parks, children’s play areas and spaces for young people, natural and semi-natural green spaces, allotments and community gardens and housing amenity space.
11. The quality of open spaces was assessed using criteria derived from the Civic Trust Green Flag standard assessment which looks at the range and condition of facilities within each open space. This scoring is also consistent with the GLA guidance. For an open space to achieve the Green Flag standard the minimum quality standard required of a site is 66%. The average quality score for all

spaces assessed in the borough is 71.3%, which is the equivalent of 'good' under the green flag scoring system and shows that the majority of open spaces in the borough would meet the Green Flag standard.

12. The strategy identifies areas deficient in access to all public parks. Park deficiency areas have been derived by considering pedestrian access to any form of public park. A catchment of 400m is shown around all parks, as this is the overall standard recommended for access to all parks by the GLA. Those areas of the borough which are deficient in public parks are defined as those which are further than 400m from any form of public park. The strategy shows that the vast majority of the borough is within the recommended catchment area for public parks, although some parts of North Dulwich, as well as parts of Sydenham Hill are outside of the recommended catchment area.
13. The strategy identified that there are clear variations between the amount of open space available within each sub-area, as well as the amount of open space which is publicly accessible. Bankside has the lowest amount of open space, with just 9ha, 8.7ha of which is publicly accessible, while Dulwich has the most with 245.5ha of open space. However, this is reduced considerably when access is taken into account, with just 94.5ha of open space which is publicly accessible, although this is still the largest amount of publicly accessible open space of any of the borough's eight sub-areas.
14. The strategy identified that there is currently 0.91ha of park provision per 1,000 population in the borough. If the current quantity of park provision was maintained, this would mean the borough would have 0.76ha of public parks per 1,000 population by 2026 due to the projected increase in population. When compared with other boroughs, it can be seen that Southwark has a lower level of public park provision than boroughs such as Wandsworth (which has a provision of 2.54ha/1000) or Haringey (1.73ha/1000). Southwark has a higher level of provision than Islington which has 0.28ha per 1000 population. Southwark also has a higher amount of open space than other Inner London boroughs of Westminster, Lambeth and Tower Hamlets in terms of total open space per population.
15. An integral component of the Southwark open space strategy was to engage with residents of the borough to determine their use of and attitudes towards Southwark's open spaces and outdoor sports facilities. The findings of the survey form an important part of the open space needs assessment. During May and June 2011, 750 residents were interviewed in the residents' survey. Quotas were set for age, gender and sub-area to ensure a balanced, broadly representative sample of the borough's population. Interviews were conducted at a range of times to target both working and non-working respondents.
16. The findings of the residents' survey reveal that the most popular types of open space visited by Southwark residents are Metropolitan Parks and large open spaces with 69% of all visits. The most common reason for visiting large open parks and open spaces are walking (47%), fresh air (38%), children's play (32%), and exercise (26%).
17. Respondents were asked to rate the quality of open spaces across all open spaces in the borough. The majority of respondents rated all categories of open space as being good or very good, however some categories performed better than others indicating perceptions vary according to the type of open space. Those categories rated as being the highest quality sites are allotments (92%),

large open spaces (86%), the Thames path (88%), natural green space (80.3%) and children's play (81%). Categories with a higher proportion of poor or very poor ratings include housing amenity areas (11%), smaller local parks (5%), outdoor sports facilities (5%) and children's play (6%). There were no major differences between sub-areas.

18. There are a number of objective indicators which influence the open space needs of individual parts of the borough. Key findings of the consultation with local stakeholders were used to inform an analysis of need across the borough and at the sub-area level. This included an assessment of need indicators such as the demographic profile, the population density, household type and composition, child densities and health. In order to derive an indicator of composite open space need, a number of different need indicators were overlaid to identify areas of greatest need. These were identified as being located in the sub-areas of Elephant and Castle, Aylesbury and Camberwell. It will be particularly important to ensure access to good quality open space within these areas of high need.
19. In view of the limited opportunity to create new open spaces the strategy focuses on improving existing open spaces. Consistent with government guidance, the strategy has identified a series of open space standards. The purpose of these standards is to give adequate levels of provision for each type of open space within the borough based upon the existing needs and future needs of the borough up to 2026. It is recommended that the council adopts a borough-wide standard for the provision of 0.76ha park space per 1,000 population and a standard of 1.51ha of natural green space per 1,000 population.
20. Over the next 15 years, development will put additional pressure on existing open spaces. It is therefore important that development proposals help to improve open space provision. The council currently uses section 106 planning obligations to ensure that developments make a financial contribution to improving open space provision. In the future, the council may consider requiring development to contribute to open space provision through the community infrastructure levy (CIL). The potential to use council budgets or other funding if this becomes available should also be investigated.
21. Using these contributions, the strategy recommends the council prioritises improving the quality of spaces, including using green flag criteria in the case of larger parks, improving the range of facilities which are available in open spaces to increase their value to local people, improving their nature conservation value to help bring all parts of the borough up to the natural greenspace standard, improving children's play facilities and incorporating food growing opportunities where appropriate.
22. Occasionally, it may be appropriate to negotiate the provision of publically accessible open space on a development site. Area-based LDF documents will be used to identify opportunities for new open spaces. The site allocations development plan document will also identify sites on which on-site provision of open space will be required.
23. In addition, the strategy sets out other proposals to address open space deficiencies across the borough which include:
 - Investigate the potential to introduce new habitat creation at existing open space

- Encourage green roofs and living walls as part of development proposals
- Improve the quality and role of amenity space, including introducing small scale improvements to encourage biodiversity
- Encourage roof gardens, including publicly accessible spaces, at new and existing developments where possible.
- Encourage the development of further community gardens, potentially within areas of new development and within housing amenity sites.
- Increase provision of trees throughout the sub-area especially along key links between spaces.

24. The borough wide recommendations are summarised in an action plan which is included in the strategy. Within the strategy, further recommendations have also been set out which seek to relate the general principles to different sub-areas in the borough. These recommendations will be taken forward in the area based LDF documents.

Community impact statement

25. The purpose of the local development framework is to facilitate regeneration and deliver the vision of Southwark 2016 in a sustainable manner, ensuring that community impacts are taken into account. The open spaces strategy will help to ensure that the policies set out in the LDF documents achieve this.
26. An equalities impact assessment (Appendix C) has been carried out alongside the preparation of the strategy to assess the impact this will have on the different equality target groups.
27. We have tested the sustainability impacts of the strategy through the sustainability appraisal (appendix D).

Equalities impact assessment

28. An equalities impact assessment scoping report (Appendix C) has been carried out alongside the preparation of the open spaces strategy to assess the impact strategy will have on groups with protected characteristics. The equalities impact assessment (EQIA) identified a number of key issues to be considered in the preparation of the final strategy. One of the most significant issues that the EQIA identified was that the needs of those with disabilities, young families and older people will need careful consideration to ensure open spaces are safe and accessible.
29. Open spaces can lead to increased pedestrian and cycle routes which can have a positive impact on those with lower incomes, promoting more sustainable means of travels for no cost which can lead to health improvements and increased access to employment.
30. Improvements to open spaces are likely to have a positive impact on all groups with protected characteristics however the needs of more vulnerable groups will need to be considered to ensure everyone has equal access to these spaces. It is important that new open spaces and public spaces are safe and well used in order to ensure more vulnerable groups feel able to visit these spaces without fear of crime and victimisation.

31. The provision on new and improved open spaces can bring positive benefits, especially for younger people and those on lower incomes who may not be able to afford more organised physical activity, helping to encourage sport and recreation which can lead to health improvements and a better quality of life.

Sustainability appraisal

32. A sustainability appraisal (Appendix D) has been prepared to help identify the environmental, social and economic impacts of the open spaces strategy. The preparation of a scoping report was the first stage of the sustainability appraisal to assist in the preparation of the strategy and its sustainability appraisal. The scoping report set out the sustainability objectives and indicators that will be used to measure the impacts of the policy upon sustainable development. Baseline information was gathered to draw attention to key environmental, social and economic issues facing the borough, which may be affected by the strategy.
33. The next stage of the process involved appraising the proposed strategy against the sustainability objectives. This identified that overall the strategy would have a positive impact in the sustainability objectives, especially SDO 13 To protect and improve open spaces, green corridors and biodiversity. Other indicators that scored positively included SDO5, To promote social inclusion, equality, diversity and community cohesion and the environmental objectives SDO6, To reduce contributions to climate change, SDO7 To improve air quality in Southwark and SDO14 To reduce vulnerability to flooding.
34. In some cases the strategy will have no significant impact with the sustainable objectives. Where the SA identified potential shortcomings for SDO15, To provide everyone the opportunity to live in a decent home. However, open spaces are considered to be important infrastructure that help to contribute to the quality of life and should be protected from development for the enjoyment of residents and visitors. The core strategy sets out policies for delivering housing in the borough to help meet the housing need whilst continuing to protect our open spaces.

Financial implications

35. This report is recommending to cabinet to approve for consultation the Open spaces strategy (Appendix A) and note the Consultation Plan (Appendix B), equalities impact assessment (Appendix C) and the sustainability appraisal (Appendix D).
36. There are no immediate financial implications arising from the adoption of the contents of this report. Cabinet is at this stage being asked to simply approve the open spaces strategy in its current form and note the related appendices to the report.
37. The cost of preparing the strategy report as well as any additional work required to finalise it will be contained within existing planning policy team budgets without a call on any additional funding. There are no risks to other council budgets.
38. Any specific material financial implications arising from the consultation exercise that cannot be contained within the existing planning policy budgets will be subject to separate reports for consideration and approval.

Consultation

39. During the preparation of the open space strategy, a stakeholder workshop was held in July 2011 and a telephone survey of 750 residents was undertaken. The results of these consultation events and those undertaken during the previous 2010 study have been used to inform the final strategy.
40. The Planning and Compulsory Purchase Act 2004 (as amended by the Planning Act 2008) and our statement of community involvement 2007 set out consultation requirements for LDF documents. Whilst the open spaces strategy is not an LDF document, the findings of the report will be used to inform the policies set out in our planning documents and therefore we will consult on the strategy in line with the requirements set out in our SCI.
41. The consultation plan (Appendix B) sets out the consultation that will be carried out on the open spaces strategy. The open spaces strategy will be published on 17 January 2012. In all, the document will be available for public consultation for a period of 12 weeks (17 January 2012 – 10 April 2012), which complies with the standards in the council's statement of community involvement. Formal consultation will take place between 28 February 2012 and 10 April 2012. As well as making the document available on the web and in local libraries, the council will write to around 3000 consultees in the planning policy team's database. In addition, the council will offer to present the strategy at community council's across the borough, will arrange a workshop with stakeholders such as Friends of Parks Groups and will be available to attend meeting with other organisations as required.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

42. PPG 17 includes a requirement for local authorities to undertake assessments of existing and future needs of their communities for open space, sports and recreational facilities. It specifically states that *'local authorities should also undertake audits of existing open space, sports and recreational facilities, the use made of existing facilities, access in terms of location and costs (such as charges) and opportunities for new open space and facilities. Audits should consider both the quantitative and the qualitative elements of open space, sports and recreational facilities. Audits of quality will be particularly important as they will allow local authorities to identify potential for increased use through better design, management and maintenance.'*
43. The Draft National Planning Policy Framework (NPPF) is proposed to replace a range of Planning Policy Statements and Guidance Notes. The strategy is considered to be in conformity with the draft NPPF as paragraph 128 recognises the importance open spaces and requires planning policies to identify specific needs and quantitative or qualitative deficits or surpluses of open space, sports and recreational facilities in a local area. The information gained from assessment of needs and opportunities should be used to set locally derived standards for the provision of open space, sports and recreational facilities. This approach in the draft NPPF is not considered to be considerably different from the approach taken in PPG17 and its companion guide. The only difference is the potential for new designation of Local Green Space.

44. London Plan policy 2.18 states that in the LDF preparation the council should follow the guidance in PPG17 and undertake audits of all forms of green and open space and assessments of need. These should both be qualitative and quantitative, and have regard to the cross-borough nature and use of many of these open spaces. In addition the policy requires that boroughs produce open space strategies that cover all forms of open space and the interrelationship between these spaces. The objective is to identify priorities for addressing deficiencies and should set out positive measures for the management of green and open space.
45. The core strategy recognises the importance of open spaces in Strategic Policy 11 which provides that the council will improve, protect and maintain network of open spaces and green corridors that will make places attractive and provide sport, leisure and food growing opportunities for a growing population.
46. The Open Spaces Strategies Best Practice Guidance produced by the Mayor of London and CABI provides that a draft strategy should contain the following elements:-
- (i) A revised vision for open spaces
 - (ii) A brief summary of the national, regional and local context
 - (iii) The results of the audit
 - (iv) A description of local needs and demand
 - (v) A statement of key issues to be addressed
 - (vi) A spatial plan or series of plans outlining the spatial strategy
 - (vii) Strategic policies related to both planning and management
 - (viii) An action plan
47. The action plan should include the following elements:
- (i) Actions
 - (ii) Relevant policy
 - (iii) Leadership/responsibility
 - (iv) Partners involved
 - (v) Start and completion dates
 - (vi) Indicators/measures of success
 - (vii) Estimated cost (capital and revenue)
 - (viii) Funding sources

Equality Impact Assessment

48. The Equality Act 2010 brought together the numerous acts and regulations that formed the basis of anti-discrimination law in the UK. It provides for the following “protected characteristics”: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation. Most of the provisions of the new Equality Act 2010 came into force in October 2010 (“the 2010 Act”).
49. In April 2011 a single “general duty” was introduced namely the Public Sector Equality Duty (PSED). Merging the existing race, sex and disability public sector equality duties and extending the duty to cover the other protected characteristics namely age, gender reassignment, pregnancy and maternity, religion or belief and sexual orientation, (including marriage and civil partnership).

50. The single public sector equality duty requires all public bodies to “eliminate unlawful discrimination, harassment and victimisation”, “advance equality of opportunity between different groups” and “foster good relations between different groups”.
51. Disability equality duties were introduced by the Disability Discrimination Act 2005 which amended the Disability Act 1995. The general duties in summary require local authorities to carry out their functions with due regard to the need to:
- (a) “Promote equal opportunities between disabled persons and other persons;
 - (b) Eliminate discrimination that is unlawful under the Act;
 - (c) Eliminate harassment of disabled persons that is related to their disabilities;
 - (d) Promote a positive attitude towards disabled persons;
 - (e) Encourage participation by disabled persons in public life; and
 - (f) Take steps to take account of disabled person’s disabilities even where that involves treating disabled persons more favourably than other persons”
52. The carrying out of an EqIA in relation to policy documents such as the open spaces strategy improves the work of Southwark by making sure it does not discriminate and that, where possible, it promotes equality. The EqIA ensures and records that individuals and teams have thought carefully about the likely impact of their work on the residents of Southwark and take action to improve the policies, practices or services being delivered. The EqIA in respect of the open spaces strategy needs to consider the impact of the proposed strategies on groups who may be at risk of discriminatory treatment and should have regard to the need to promote equality among the borough’s communities.
53. Section 19(5) of the Planning and Compulsory Purchase Act 2004 requires sustainability appraisal of the economic, social and environmental sustainability of plans in DPDs and as the open spaces strategy will form part of the LDF a sustainability appraisal was recommended. A sustainability appraisal was prepared to ensure the wider impacts of the open spaces strategy are addressed. The sustainability appraisal provides a sound evidence base for the open spaces strategy and forms an integrated part of the plan preparation process.
54. Part 3D, paragraph 17, the individual member for transport, environment & recycling may agree broad consultations arrangements in relation to his area of responsibility. However, as the open spaces strategy cuts across the whole of the borough, it was considered that it would be appropriate for the consultation draft to be approved by cabinet. Under Part 3C, paragraph 20 the adoption of preferred options of development plan documents are reserved to full cabinet and as the open spaces strategy will form part of the evidence base for the local development framework

Finance Director

55. This report recommends that the cabinet approve for consultation the open spaces strategy, notes the evidence base, the consultation plan, equalities impact assessment and the sustainability appraisal.

56. The finance director notes that there are no immediate financial implications arising from this report. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background paper	Held at	Contact
London Plan 2011	160 Tooley Street, London SE1 2QH	Sandra Warren 020 7525 5471
Southwark Open Spaces strategy 2003	160 Tooley Street, London SE1 2QH	Sandra Warren 020 7525 5471
Southwark Open Spaces Audit 2005	160 Tooley Street, London SE1 2QH	Sandra Warren 020 7525 5471
Southwark Open Spaces Study evidence base report 2010	160 Tooley Street, London SE1 2QH	Sandra Warren 020 7525 5471
Southwark Open Spaces Strategy – evidence base 2011	160 Tooley Street, London SE1 2QH	Sandra Warren 020 7525 5471

APPENDICES

No.	Title
Appendix A	Southwark Open Spaces Strategy (circulated separately on a supplemental agenda)
Appendix B	Consultation Plan (available on the website)
Appendix C	Equalities Impact Assessment (available on the website)
Appendix D	Sustainability Appraisal (available on the website)

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Tim Cutts, Acting Head of Planning Policy	
Version	Final	
Dated	12 January 2012	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	13 January 2012	

Item No. 15.	Classification: Open	Date: 24 January 2011	Meeting Name: Cabinet
Report title:		Motions Referred from Council Assembly	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

RECOMMENDATION

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

BACKGROUND INFORMATION

2. Council assembly at its meeting on Tuesday, 29 November 2011 agreed a number of motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motions referred to it. Any proposals in a motion are treated as a recommendation only. The final decisions of the cabinet will be reported back to the next meeting of council assembly. When considering a motion, cabinet can decide to:
 - Note the motion; *or*
 - Agree the motion in its entirety, *or*
 - Amend the motion; *or*
 - Reject the motion.

KEY ISSUES FOR CONSIDERATION

4. In accordance with council assembly procedure rule 2.10(6), the attached motions were referred to the cabinet. The cabinet will report on the outcome of its deliberations upon the motions to a subsequent meeting of council assembly.
5. The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and to the cabinet for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis.
6. Any key issues, such as policy, community impact or funding implications are included in the advice from the relevant chief officer.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Motions submitted in accordance with council assembly procedure rule 2.10 (6).	160 Tooley Street London SE1 2QH	Lesley John Constitutional Team 020 7525 7228

LIST OF APPENDICES

Number	Title
Appendix 1	Motion on themed debate - Housing
Appendix 2	Retention of school crossing patrols in Dulwich
Appendix 3	Safer neighbourhood team sergeants
Appendix 4	Local government pension scheme

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager		
Report Author	Lesley John, Constitutional Officer		
Version	Final		
Dated	16 January 2012		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
	Officer Title	Comments Sought	Comments included
	Strategic Director of Housing Services	Yes	Yes
	Strategic Director of Environment & Leisure	Yes	Yes
	Strategic Director of Communities, Law & Governance	No	No
	Finance Director	No	No
	Cabinet Member	No	No
	Date final report sent to Constitutional Team		16 January 2012

APPENDIX 1**MOTION ON THEMED DEBATE - HOUSING**

At council assembly on Tuesday 29 November 2011 a motion on housing was moved by Councillor Paul Noblet and seconded by Councillor Michael Bukola. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

Recommendation

- (1) That council assembly believes Southwark faces immense challenges in relation to its housing stock over the next 30 years that can only be resolved by taking a long-term, strategic approach.
- (2) That council assembly notes that Southwark Council still owns 31% of Southwark's housing stock (down from 70% in 1981) – around 40,000 homes. Despite this reduction in local authority control, there are nearly 17,000 people on the council's waiting list.
- (3) That council assembly believes that decent housing – where communities are mixed – is key to securing a better future for our young people, developing stable and vibrant communities, tackling crime and anti-social behaviour and improving public health.
- (4) That council assembly notes the immediate challenge faced on estates with high investment needs including Abbeyfield Estate, Four Squares Estate and Hawkstone low rise and calls for dialogue between council and tenants and leaseholders to continue.
- (5) That council assembly notes the uncertainty many tenants and leaseholders faced under the last housing investment programme, and welcomes the new £326 million, five year programme which will ensure every council home is warm, dry and safe by 2015/16.
- (6) That council assembly also welcomes the review of leaseholder charges to ensure Southwark has an accurate, fair and transparent system of charging leaseholders for the services they receive.
- (7) That council assembly notes the focus of the debate as outlined to all councillors in advance:
 - How do we balance the increasing demand for the council to supply housing with the need to maintain existing stock and with the limited geographical and financial resources available?
 - The proportion of housing stock in the private rented sector has ballooned in the last 30 years to a point where the numbers of private rented, privately owned and council homes are roughly equal. How do we ensure tenants rights and responsibilities are guaranteed in a sector over which the council has less control?

- What role can other social landlords play in helping to ensure we deliver the housing which Southwark needs?
- (8) That council assembly welcomes the council's decision to set up an independent housing commission to investigate these issues outlined above and calls on members and residents to contribute their views.

Comments of the Strategic Director of Housing Services

1. The council is currently carrying out an operational review of its homelessness, housing advice and options service to look at how we can most effectively assist those households that apply to us for housing. For many households, there will be no realistic prospect of offering them a council or housing association home and we need to be clear with those residents about how they can best help themselves to meet their own housing needs and preferences.
2. From February 2012, we plan to re-launch our online housing advice service which has been re-focussed to provide clear advice in plain English for residents on the options available to them. We continue to regularly carry out exit surveys at our Homesearch Centre to obtain customer feedback and are also currently reviewing all of our housing information leaflets. Our social housing lettings agency has got off to a good start this year and is seen by others as a model of good practice. We continue to prevent homelessness effectively through the use of the private rented sector, although this will become increasingly difficult as the welfare reforms restrict access for households on low income to private rented homes.
3. From January 2012, we will be carrying a review of our lettings policy and have set up a cross party group to look at best practice and recommend changes. We expect the review to report to Cabinet with its conclusions in December 2012, following extensive public consultation, with any changes being implemented in 2013.
4. Our 5 year Warm, Dry and Safe programme was agreed by Cabinet in October 2011 and has also now been formally signed off by the Tenant Services Authority, who have extended the council's deadline for achieving 85% decent homes to 2015. This is subject to the Homes and Communities Agency confirming the remainder of the government decent homes backlog funding and we expect to have notification on this in January 2012. We are currently working with residents on the development of a 30 year housing asset management plan to further support our strategic approach to investment in council homes in the borough.
5. Decent housing is being achieved in Southwark through two main programmes. The first, focussing on the council's own housing stock, by investing to make all homes warm, dry and safe. Cabinet agreed a 5 year programme in October to bring homes to the Government's decent homes standard by investing a minimum of £326m over the next 5 years. The council's housing stock already provides for a diverse and mixed community reflective of Southwark's make up. The council will continue to improve housing management standards and also work with partners to make a contribution to community safety and health.
6. The second approach is to enable the delivery of high quality new housing in the borough, including affordable housing. Clear planning policies in general

conformity with the London Plan, together with Area Action Plans in a number of local areas provide developers with a clear understanding of Southwark's priorities. In the affordable sector, the council works closely with housing associations and the Homes and Communities Agency to support the delivery of new housing supply, a large proportion of which is made available to residents on the housing list.

7. Option appraisal exercises have been undertaken on Abbeyfield Estate, Four Squares Estate and the low rise part of Hawkstone Estate. The findings for Hawkstone were reported to Cabinet on 13 December 2011, and the preferred option of enhanced refurbishment was agreed. The scheme will now be worked up in detail, for delivery in 2012/13. The process continues for Abbeyfield Estate and Four Squares Estate. What is common to all three studies is the importance of working with residents to understand the relationship between the various considerations and their relevant priorities. The commitment of residents in all three studies is greatly appreciated. The role of independent resident advisors in progressing the exercises should also be recognised. Dialogue with residents of the estates will continue to be at the core of the process. At Hawkstone, that will now turn to the delivery stage; at Abbeyfield and Four Squares, the focus will be on appraising the various options identified and working through the consultative process to reach a preferred option in each case.
8. The Housing 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. 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.
9. The review of revenue service charges was completed by the external independent auditors in August 2009. The seventeen recommendations were made the subject of an action plan and progress in responding to these recommendations has been monitored over the past two years. One of the final actions to be delivered is the implementation of the IT system dealing with the billing and collection of service charges. This is due to go live in April 2012. The system will enable homeowners to access their accounts, statements and invoices on line.

RETENTION OF SCHOOL CROSSING PATROLS IN DULWICH

At council assembly on Tuesday 29 November 2011 a motion on the retention of school crossing patrols in Dulwich was moved by Councillor Toby Eckersley and seconded by Councillor Michael Mitchell. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

Recommendation

- (1) That council assembly;
 - Notes the unprecedented financial situation the council must deal with following estimated Tory/Liberal Democrat government cuts over three years of £90 million to the council's non-housing budget.
 - Notes that as part of looking for all possible sources of funding or ways of continuing to run school crossing patrols, senior council officers are currently in discussions with local schools; both private and community and local residents across the borough.
- (2) That council assembly further notes following the deliberations of the Democracy Commission, the cabinet intends to propose as part of the forthcoming budget process the introduction of a cleaner, greener, safer revenue budget, equating to £10,000 per ward, for community councils to determine from 1 April 2012.
- (3) That, therefore, council assembly invites Dulwich and those community councils affected by previously agreed budget savings to school crossing patrols to consider whether they wish to prioritise the continued funding of those crossing patrols as part of this cleaner, greener safer revenue spend from 2012/13 onwards.

Comments of the Strategic Director of Environment & Leisure

1. In the 2011/12 budget there was a proposed a saving allocated to removing school crossing patrols at light controlled crossings. National guidance recognises such locations as posing a lower risk than sites with no traffic controlled systems and such a service is not provided by many other boroughs. However, following concern from some schools and parents this cut was deferred until 2012/13, pending a further review and consultation on the proposal.
2. In the review officers are exploring how schools, the community and the voluntary and business sector might assist with alternative ways of providing this service prior to taking forward the reduction.
3. Initial feedback from the review has included the following:-

- That while the locations under review do have light controls the community feel that the exceptional nature of traffic at the locations require the additional services of a SCP
 - The schools affected do not feel that this is a service that should fall to them to either fund or manage
 - There are concerns about the adequacy, commitment and legal liabilities entailed in delivering the service through a volunteer workforce
 - External sponsorship of the service could be explored
 - Use of other parking control staff to undertake the functions could be explored but this would break a valuable personal link that the current staff have with the schools and children
 - The council should consider using part of the £100k discretionary spend available in the TfL funded Local Implementation Programme for SCP's.
4. Should Cabinet agree to the recommendations of the Democracy Commission the £50,000 reduction in the school crossing patrol service budget at light controlled crossings in 2012/13 will be confirmed. However patrols will be retained until each of the community councils concerned has had an opportunity to consider how it wishes to spend the new money to be allocated to it. If the community council decides to fund the patrols then the service will continue unaffected. Should the community council choose not to fund the patrols, in accordance with local wishes, these will cease in the autumn term 2012.
5. Officers will not be undertaking any further risk assessments as committing further resources on risk assessments is not warranted. Should any community council require any further data to make their decision the council will assist with this.
6. Officers will also continue to look at the other aspects of the service that have been raised by the community, namely potential reductions in management costs, potential sponsorship of the service.

SAFER NEIGHBOURHOOD TEAM SERGEANTS

At council assembly on Tuesday 29 November 2011 a motion on safer neighbourhood team sergeants was proposed by Councillor Catherine Bowman and seconded by Councillor Robin Crookshank Hilton. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

Recommendation

- (1) That council assembly regrets the loss of five safer neighbourhood team sergeants in Southwark which is a direct result of the government's 20% cut in the police grant. Council assembly further regrets the decision by the Mayor for London to make these cuts irrespective of the level of crime in any borough.
- (2) That council assembly notes that MPs from all parties had an opportunity to vote against this 20% cut in funding if they wanted to preserve police numbers in Southwark. It welcomes the fact Harriet Harman and Tessa Jowell voted against this cut, but regrets that Simon Hughes, once again, abstained.
- (3) That council assembly notes that the council's budget allocated £5.5 million in contingency funds and that the figure of £9.5 million is incorrectly calculated. Council assembly further notes that the quarter 2 revenue monitoring report considered by cabinet on 22 November indicates that £2.6 million of this contingency fund may need to be used to offset pressures in departmental budgets this year.
- (4) That council assembly believes the council has demonstrated its ability to protect people from the worst excesses of the government; for instance, by introducing a £3 million youth fund as a direct response to the cut to educational maintenance allowances and the trebling of tuition fees.
- (5) That in the circumstances, council assembly urges the government to reverse its reckless cut to the Metropolitan Police's budget and calls on Mayor Boris Johnson to maintain police numbers in Southwark.

Comments of the Strategic Director of Environment & Leisure

1. The decision by the Metropolitan Police Authority (MPA) to cut safer neighbourhood team sergeants was not one that was supported by the council. Each ward in Southwark has specific challenges and we have made it clear to the MPA that cutting posts in Southwark at the same level as other London Boroughs, which do not experience the level of crime and anti social, does not make sense. Having taken advice from senior police officers in Southwark it is also likely that the MPA would not accept the additional funding at this stage, as they are looking to reduce staffing and staffing costs.
2. We believe a better approach from the MPA would be to review their decision and place sergeants in those wards in London where they will have the biggest impact and reduce posts in the capitals low crime wards.

3. In terms of cuts, Southwark Council has faced one of the highest levels of cuts in London, considerably higher than those required from the MPA. As a result the council has had to make significant savings of £2.8m from community safety. This has been compounded by a significant loss of central government grant funding for crime prevention and intervention work. 73% of government grant was removed last year amounting to £2.65m.
4. Lobbying the MPS and GLA to ensure that Southwark has the policing numbers that it needs, is our best approach.

LOCAL GOVERNMENT PENSION SCHEME

At council assembly on Tuesday 29 November 2011 a motion on the local government pension scheme was proposed by Councillor Patrick Diamond and seconded by Councillor Mark Glover. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

Recommendation

1. That council assembly notes that the local government pension scheme is a sustainable, good quality pension scheme that benefits from being funded and locally managed. It is valuable to employers and employees alike.
2. That council assembly is concerned by proposals announced by the Chancellor in the last comprehensive spending review to impose an extra 3.2% contribution tax on scheme members, increasing scheme average member contributions from 6.6% to 9.8%.
3. That council assembly also notes that none of the additional revenue raised from this increase will go towards improving the financial security of the scheme and risks the sustainability of public sector pension schemes in the long term by encouraging people to opt out of occupational schemes because they cannot afford to pay this increase; ultimately costing the tax payer more in the future.
4. That council assembly welcomes the recent but limited change in position from the government and hopes that this indicates, after months of grandstanding, a willingness to finally enter into proper negotiations with trade unions.
5. That council assembly believes that both private and public service workers have suffered as a result of the austerity measures of the Conservative/Liberal Democrat government and regrets the impact any industrial action will have on people in Southwark who rely on council services. We urge both the government and unions to explore every other possible course of action.

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