

## Cabinet

Tuesday 20 March 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>

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Members of the committee are summoned to attend this meeting

#### Councillor Peter John

Leader of the Council

Date: 12 March 2012



# Cabinet

Tuesday 20 March 2012

4.00 pm

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

## Order of Business

Item No.	Title	Page No.
	<b>PART A - OPEN BUSINESS</b>	
	<b>MOBILE PHONES</b>	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
<b>1.</b>	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
<b>2.</b>	<b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
<b>3.</b>	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>	
	Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.	
<b>4.</b>	<b>PUBLIC QUESTION TIME (15 MINUTES)</b>	
	To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules.	
<b>5.</b>	<b>MINUTES</b>	1 - 9
	To approve as a correct record the minutes of the open section of the meeting held on 7 February 2012.	

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>6.</b>	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests.	
<b>7.</b>	<b>FOUR SQUARES ESTATE OPTIONS APPRAISAL</b>	10 - 41
	To consider the findings of the Four Squares options appraisal.	
<b>8.</b>	<b>ABBEYFIELD ESTATE: OPTIONS APPRAISAL FOR MAYDEW HOUSE, THAXTED COURT AND DAMORY HOUSE</b>	42 - 96
	To consider the findings of the Abbeyfield Estate options appraisal, considering Maydew House, Thaxted Court and Damory House.	
<b>9.</b>	<b>RESPONSE TO THE HOUSING AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE ON THE FIRE SAFETY WORKS AT CANADA ESTATE</b>	97 - 108
	To note and agree the responses to the recommendations of the housing and community safety scrutiny sub-committee's investigation into the fire safety works at Canada Estate.	
<b>10.</b>	<b>SOUTHWARK COORDINATED SCHEMES FOR SECONDARY, PRIMARY AND IN-YEAR SCHOOL ADMISSIONS 2013</b>	109 - 136
	To agree the secondary and primary coordinated admissions schemes for 2013 admissions.	
<b>11.</b>	<b>ADMISSION ARRANGEMENTS FOR COMMUNITY PRIMARY SCHOOLS, NURSERY SCHOOLS AND CLASSES SEPTEMBER 2013</b>	137 - 149
	To agree the community primary schools, nursery schools and nursery classes admissions criteria for 2013.	
<b>12.</b>	<b>GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - PARKING AND TRAFFIC ENFORCEMENT SERVICES CONTRACT</b>	150 - 169
	To approve the procurement strategy for the parking and traffic enforcement services contract.	
<b>13.</b>	<b>ELEPHANT AND CASTLE SUPPLEMENTARY PLANNING DOCUMENT / OPPORTUNITY AREA PLANNING FRAMEWORK</b>	170 - 188
	To adopt the Elephant and Castle Supplementary planning document / opportunity area planning framework.	

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14.	<b>DISPOSAL OF 143 BARRY ROAD, SE22 AND 19 OAKHURST GROVE, SE22</b>	189 - 196
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To authorise the head of property to dispose of the council's freehold interest in 143 Barry Road, SE22 and 19 Oakhurst Grove, SE22 for a sum that in each case equates to the market value of the property.

15.	<b>BOWLEY CLOSE, CRYSTAL PALACE, SE19 - FREEHOLD PROPERTY TRANSFER TO LONDON BOROUGH OF SOUTHWARK FROM THE PRIMARY CARE TRUST</b>	197 - 203
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To approve the acquisition of the freehold interest in a small residential care home complex at Bowley Close, London, SE19 1SZ from Southwark Primary Care Trust.

16.	<b>ACQUISITION OF OFFICE ACCOMMODATION (BLOCK J) AT QUEENS ROAD, LONDON SE15 2HP</b>	204 - 210
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To approve the acquisition of the freehold in (block J) Queens Road, London SE15 2HP.

17.	<b>MOTIONS REFERRED FROM COUNCIL ASSEMBLY</b>	211 - 215
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To consider motions referred from council assembly on 25 January 2012 on the following:

- Motion on themed debate – Environment
- Changes to NHS Southwark
- Save Chambers Wharf

**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.”

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**Title**

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**PART B - CLOSED BUSINESS**

**18. MINUTES**

To approve as a correct record the closed minutes of the meeting held on 7 February 2012.

**19. BOWLEY CLOSE, CRYSTAL PALACE SE19 - FREEHOLD PROPERTY TRANSFER TO LBS FROM PCT**

**20. ACQUISITION OF OFFICE ACCOMMODATION (BLOCK J) AT QUEENS ROAD LONDON SE15 2HP**

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

Date: 12 March 2012



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 7 February 2012 at 4.00 pm at 160 Tooley Street, London SE1 2QH

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

### 1. APOLOGIES

There were no apologies for absence.

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

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

- Item 6 - Deputation request from Southwark Refugee Communities Forum
- Item 7 - Policy and resources strategy 2012/13 – 2014/15 – revenue budget
- Item 19 - Combined gateway 1 procurement strategy approval and gateway 2 contract award for integrated highways term contract

The following additional information was also circulated:

- Item 11 - Council plan interim performance report – Appendix A
- Item 13 - Livesey Museum update and options – revised recommendations

### 3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Richard Livingstone declared a personal non-prejudicial interest in item 13, Livesey Museum Update and Options as he was a member of the 'Friends of the Livesey Museum'.

Councillor Fiona Colley declared a personal non-prejudicial interest in item 14, Peckham and Nunhead Area Action Plan Preferred Option as she lived and owns a property in the area covered by the action plan.

Councillor Ian Wingfield declared a personal non-prejudicial interest in items 13 and 14 as he was a member of the 'Friends of the Livesey Museum' and lived in the area covered by the action plan.

Councillor Abdul Mohamed declared a personal non-prejudicial interest in item 14 as he lived in the area covered by the action plan.

Councillor Barrie Hargrove declared a personal non-prejudicial interest in item 14 as he lived in the area covered by the action plan.

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

There were no public questions.

### 5. MINUTES

#### **RESOLVED:**

That the minutes of the meeting held on 24 January 2012 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 the item as urgent as the request was received in line with the constitutional deadline for the receipt of deputation requests. Additionally the deputation request related to an item on the agenda for this meeting

#### **RESOLVED:**

That the deputation request from Southwark Refugee Communities Forum be heard.

The spokesperson addressed the meeting to ask that their request for funding from the community support programme be given careful consideration. He explained that the Forum is an umbrella organisation with a membership of 34 refugee community organisations and service providers and highlighted the likely impact upon Southwark Refugee Communities Forum and its members in 2012/13, should the funding that has

been requested not be secured.

## **7. POLICY AND RESOURCES STRATEGY 2012/13-2014/15 - REVENUE BUDGET**

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 council had an obligation to set a lawful budget by the statutory deadlines and ensure all the necessary preparatory administrative and financial arrangements were in place prior to the next financial year. The council also required sufficient time to consider the implications of the government settlement on the budget proposals. Cabinet was also required to recommend a budget to council assembly for approval on 29 February 2012. All local authorities are required to set their council tax by 11 March 2012. Any delay to this date would mean the council would have to move its instalment date beyond 1 April 2012 resulting in loss of income to the council.

### **RESOLVED:**

1. That it be noted 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. That it be noted that the final local government grant settlement for 2012/13 was announced on 31 January 2012 by the Department of Communities and Local Government (DCLG) with no changes from the provisional settlement.
3. That it be noted that the 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.
4. That it be noted 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 of the report.
5. That it be noted that the Greater London Assembly will set its precept on 9 February 2012, as described in paragraphs 218 to 220 of the report . It is expected that a 1% reduction will be announced, reducing a band D property from £309.82 to £306.72.
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 it be noted that the recommendations from the overview and scrutiny committee of 9 January 2012 are included as appendix F to the report.



8. That the need to use balances of £4.4m in order to support service delivery and deliver a balanced budget in 2012/13 be noted.
9. That 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 be noted.
10. That the need to absorb the impact of inflation within the cash limited budgets proposed within the report (with the exception of that which is contractually committed) as described in paragraphs 51 to 55 of the report be noted.
11. That it be noted that new commitments and growth of £10.865m is allocated in 2012/13 to support local needs and priorities.
12. That it be noted that the budget proposals include accepting the government's further council tax freeze grant for 2012/13.
13. That 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 be noted.
14. That it be noted that 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 the report.
15. That a £1m community restoration fund be established for 2012/13 only, subject to the council assembly agreeing the revenue budget on 29 February 2011. Details of the fund are set out in paragraphs 145 to 171 of the report.
16. That the proposals in the report for a balanced budget based on a nil council tax increase for 2012/13 be agreed for recommendation to council assembly on 29 February 2012. Budget schedules are set out in Appendices A to E of the report.

**8. REPORT FROM THE OVERVIEW AND SCRUTINY COMMITTEE: POLICY AND RESOURCES 2012/13 TO 2014/15 - PROVISIONAL LOCAL GOVERNMENT SETTLEMENT**

The recommendations of the overview and scrutiny committee were considered in conjunction with the previous item.

**9. QUARTERLY REVENUE MONITORING REPORT QUARTER 3, 2011/12, INCLUDING TREASURY MANAGEMENT**

**RESOLVED:**

1. That the following be noted:
  - the general fund outturn forecast for 2011/12 and the forecast net movement in reserves;

- the housing revenue account's (HRA) forecast outturn for 2011/12 and resulting forecast movement in reserves;
  - the treasury management activity for the third quarter of 2011/12.
2. That the forecast performance for the council tax and business rates collection fund be noted.
  3. The general fund budget movements as shown in Appendix A of the report be approved.
  4. That the general fund budget movements in Appendix A of the report be noted.

#### **10. QUARTERLY CAPITAL MONITORING REPORT QUARTER 3**

##### **RESOLVED:**

1. That the addition of budgets into the programme, matched by additional funding secured since the last report to cabinet (Appendix C of the report) be approved.
2. That the current monitoring position for the general fund capital programme 2011-21 and housing investment programme 2011-16 as at 31 December 2011 (Appendices A, B and D of the report) be noted.
3. That the additions into the programme of budgets relating to existing cabinet decisions and the movement of existing schemes between departments (Appendix C of the report) be noted.
4. That the addition of £1.3m of additional Department of Education grant funding to the children's services capital programme be approved and £500,000 of this be allocated for the temporary expansion programme. The allocation of the remaining budget will be subject to a further report to cabinet.
5. That it be noted that the capital programme 2011-21 will be updated and presented to cabinet for approval in 2012/13 (paragraphs 59 to 60 of the report).

#### **11. COUNCIL PLAN INTERIM PERFORMANCE REPORT**

##### **RESOLVED:**

That the council plan interim performance report for 2011/12 be noted.

## 12. LAMBETH AND SOUTHWARK SHARED LEGAL TEAM PROPOSALS FOR THE WAY FORWARD

### RESOLVED:

1. That the work that has been done on exploring shared legal services with Lambeth be noted.
2. That approval be given to the proposals detailed in this report to:
  - Establish a pilot joint litigation team with Lambeth under the leadership of Southwark's new head of litigation
  - Establish a joint regulatory and prosecutions team under the leadership of a Lambeth senior regulatory lawyer; and
  - Establish a pilot joint property team in Southwark.
3. That it be noted that following the success of the pilot to share a business manager with Lambeth that this will become a permanent arrangement under the new legal services structure.
4. That officers be instructed to continue to explore opportunities to develop shared legal services with Lambeth over the next year and report back to the cabinet on developments.

## 13. LIVESEY MUSEUM UPDATE AND OPTIONS

### RESOLVED:

1. That officers be instructed to progress negotiations with the two leading bids for the Livesey building within the Objects of the Trust, as identified by the call for expressions of interest and subsequent assessment in October 2011, to ensure that bids meet with the requirements set out below:
  - Meet the original objectives of the trust, i.e. a free public library, or any other objectives of an educational or cultural nature, in keeping with the proposed amended charitable objectives
  - Are financially viable with secure and robust revenue arrangements as well as funding for any associated capital works that schemes may require
  - Are proven robust in the second round of financial assessment and organisation checks in March 2012.
2. That subject to a satisfactory outcome of detailed checks in January 2012, officers report back to cabinet on the outcomes of the negotiations with the preferred user and Charity Commission in April 2012.

**14. PECKHAM AND NUNHEAD AREA ACTION PLAN PREFERRED OPTION****RESOLVED:**

1. That the consultation report (Appendix B of the report), the consultation strategy (Appendix C of the report) and the consultation plan (Appendix D of the report) be noted.
2. That the interim sustainability appraisal (Appendix E of the report), the equalities impact assessment (Appendix F of the report), the appropriate assessment (Appendix G of the report) and the schedule of proposed changes to the proposals map (Appendix H of the report) be noted.
3. That the Peckham and Nunhead Area Action Plan preferred option (Appendix A of the report) be adopted for consultation.

**15. DISPOSAL OF LAND AT COOPERS ROAD, LONDON SE1 (PHASE 4)****RESOLVED:**

1. The head of property be authorised to dispose of the council's freehold interest in the land at the Coopers Road estate SE1 (the "Site"), as shown and highlighted in bold on the plan at Appendix 1 to the report to the Peabody Trust, or one of their associated companies, on the terms outlined in the closed version of the report.
2. The head of property be authorised to agree any minor variation to the terms of the sale, with the Peabody Trust, which may arise prior to the completion of the transaction.

**16. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: INTEGRATED HIGHWAYS MAINTENANCE, PROJECT DELIVERY AND PROFESSIONAL SERVICES CONTRACT****RESOLVED:**

1. That the procurement strategy outlined in the report for highway maintenance, design and professional services, project construction and delivery be approved.
2. That it be noted that at the same time as seeking tenders for services, the council continues to participate in the London Highway Alliance Contract (LoHAC) procurement process in order to identify the most economically advantageous option.
3. That the Gateway 2 decision for award of contract be agreed by cabinet.

**19. COMBINED GATEWAY 1 PROCUREMENT STRATEGY APPROVAL AND GATEWAY 2 CONTRACT AWARD FOR INTEGRATED HIGHWAYS TERM CONTRACT**

**Note:** This item is listed as item 19 of the agenda.

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent because the consideration of the report at this meeting of cabinet would permit the posting of the OJEU Notice on 14 March 2012. Unfortunately there was no flexibility within the procurement programme to accommodate any slippage. A delay in the posting of the OJEU Notice would result in delays in achieving the remaining procurement milestones and inability to have the new contract ready to commence 1 April 2013. The services delivered by the new contract include reactive maintenance activities in response to emergencies. There is currently no alternative provision for these services.

The closed version of the report was published on the closed agenda for this meeting on 30 January 2012. However due to an oversight the open version of the report was not submitted at the same time.

**RESOLVED:**

1. That the procurement strategy outlined in the report for the integrated highways term maintenance contract of entering into a single supplier negotiation with the current contractor in line with contract standing orders (CSO 4.4.3) be approved.
2. That the award of a contract to FM Conway Ltd ("FM Conway") for a period of nine months at an estimated cost as reported in the separate closed version of this gateway report be approved. The award will be effected by way of a variation to the existing contract. The new contract period will therefore run from 1 July 2012 to 31 March 2013.

**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 (items 17 and 18) is a summary of the decisions taken in the closed section of the meeting.

**17. DISPOSAL OF LAND AT COOPERS ROAD, LONDON SE1 (PHASE 4)**

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

**18. COMBINED GATEWAY 1 PROCUREMENT STRATEGY APPROVAL AND GATEWAY 2 CONTRACT AWARD FOR INTEGRATED HIGHWAYS TERM CONTRACT**

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

The meeting ended at 5.42pm

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 15 FEBRUARY 2012.**

**THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. WITH THE EXCEPTION OF ITEM 7 (BUDGET AND POLICY FRAMEWORK) SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.**

<b>Item No.</b> 7.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Four Squares Estate Options Appraisal	
<b>Ward(s) or groups affected:</b>		Riverside Ward; residents of Four Squares Estate	
<b>Cabinet Member:</b>		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management and Councillor Fiona Colley, Cabinet Member for Regeneration and Corporate Strategy.	

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

After a lengthy process, we are finally able to take a firm decision on the future of the Four Squares Estate. The requirement for a high level of investment has been known for some and we are now in a position to make a decision about our investment plans for the estate.

Following a recent building survey which included both internal and external areas, we can now be confident that we can deliver an enhanced refurbishment programme of works, which will prolong the life of the blocks after some years of failure to invest.

The current budget allocation for the Four Squares Estate in the council's five year housing investment programme is lower than the estimated costs associated with the enhanced refurbishment works. This means that we will have to forward fund these works and in order to make up this shortfall we will have to dispose of naturally arising voids on the estate. However, we will only dispose of enough properties to meet the difference between the cost of the warm, dry, safe works and the enhanced refurbishment works. Works are currently programmed to start in 2012/13 to coincide with the security works to Marden and Layard Squares to ensure that we benefit from potential savings in terms of scaffolding or site set up costs.

We are pleased to recommend the preferred option of enhanced refurbishment to all blocks which will contribute towards the council's aspirations for a 30 year asset management plan to follow on from our commitment to make all homes Warm, Dry and Safe.

We would like to thank all those residents who have assisted us in this appraisal process and consultation work, in particular the Four Squares Resident Steering Group and those residents who kindly allowed us to internally survey their homes. Finally, we would also like to thank all the residents for their patience in bearing with us through what has been a very lengthy process.

We look forward to progressing the enhanced refurbishment works as quickly as possible and making each home warm, dry and safe.

We are therefore asking the cabinet, after consideration of the officers' report set out from paragraph 1 onwards to approve the recommendations below.

## RECOMMENDATIONS

That the cabinet

1. Notes the findings of the Four Squares options appraisal.
2. Approves that work continues to implement a scheme of enhanced refurbishment to all blocks, to run concurrently with the security works already committed for Marden Square and Layard Square.
3. Instructs officers to programme future resources from the sources identified in paragraphs 79-82.
4. Notes the substantial financial resources required for the refurbishment and that the option appraisal identified that no meaningful contribution would be forthcoming from infill development on the estate.
5. Instructs officers to initiate disposals of void properties on the estate in accordance with the strategy outlined in paragraph 69 to contribute to the cost of the refurbishment works and notes that all disposal decisions in relation to the strategy to be made by the head of property.

## BACKGROUND INFORMATION

6. As part of the report on the Housing Investment Programme and Revised Strategy, the cabinet on 31 May 2011 approved the designation of 6 estates as High Investment Needs Estates. They are the Aylesbury, Elmington, Brandon, Four Squares, Hawkstone and Abbeyfield Estates. On the basis that proposals were in place in relation to the Aylesbury, Elmington and Brandon Estates, it was agreed that an option appraisal considering investment and regeneration opportunities would be undertaken on the remaining three estates, including the Four Squares for consideration by the cabinet.
7. The cabinet also agreed that security works be undertaken to the Marden Square and Layard Square blocks at Four Squares Estate to the value of £5m and that a study be undertaken to examine options for investment in, or regeneration of the estate as a whole. It was also agreed that officers would facilitate a resident project group for each estate and appoint an Independent Resident Advisor, to help support residents in the development of future options for their estate.
8. Security works are programmed to be undertaken at Marden and Layard Squares in 2012/13. The council's Five Year Investment Programme also includes a budget of £7.5m for the completion of Warm, Dry and Safe works to the whole estate. The latter was initially programmed for 2013/14 and following agreement of the Five Year Housing Investment Programme by cabinet in October 2011, has been brought forward to allow commencement in 2012/13 to coincide with the security works, subject to the outcome of the options appraisal for the estate.
9. The Four Squares RSG was established in July 2011 and Open Communities was appointed as the Independent Resident Advisor shortly afterwards. The Open Communities team and council officers have been working with residents



throughout the options appraisal process.

10. A progress report outlining the development of the option appraisal was provided to cabinet on 18 October 2011 in a report entitled Housing Investment Programme – Confirmation of Five Year Programme and Update on the High Investment Needs Estate Options Appraisal project, with a recommendation to amend the strategic fit of the option appraisal model. The cabinet approved the revision of the strategic fit element of the option appraisal process to ensure alignment with corporate policies and also agreed an updated project plan requiring feedback to the cabinet on the preferred option for the Four Squares Estate in February 2012.
11. The Four Squares estate consists of 4 large blocks between Drummond Road and Southwark Park Road and a smaller block of residential units above a parade of shops on Jamaica Road. There are also 28 sheltered accommodation units based in Marden Square. Of the 687 units on the estate 489 are tenanted and the remaining 198 are leasehold.

### **KEY ISSUES FOR CONSIDERATION**

12. The process involves the assessment of each proposed option against the council's options appraisal methodology to include strategic fit against the council's corporate objectives, as well as an assessment of the risks and cost.
13. In order to inform this process, technical advisors were appointed in early November 2011 to provide the quantitative information required to feed into the appraisal model. The purpose of this procurement was to appoint a multi disciplinary team comprising of a building surveyor, building services engineer, structural engineer, a health and safety specialist and architect. Mace was selected as the lead consultant to undertake the building condition survey and to coordinate the process; Feilden Clegg Bradley Studios (FCBS) to conduct a land capacity study and Potter Raper as the Quantity Surveyor to provide cost information. These appointments were made in accordance with the council's contract standing orders and two resident representatives from the RSG were involved at each stage of the procurement process.

### **Building condition survey findings**

14. The Mace team was appointed to complete an independent assessment of the condition of the blocks and to provide a report detailing their findings to include:
  - a schedule of the works to make all homes warm, dry and safe
  - a schedule of the scope of works to meet decent homes plus a 30 year life.
15. The initial assessment was based on a desktop review of background stock condition information held by the council, followed by surveys of the internal and external areas of the block. The latter consisted of a 5% internal sample of properties of varying bedsizes and locations throughout the five blocks as well as a survey of the external areas including the plant room and boiler house.
16. The survey assessed the current and future repairs and maintenance liability of the Four Squares Estate. A summary of the survey findings is as follows:
  - The properties were generally in fair condition with evidence of minor

repairs being undertaken. Works to upgrade the security and access to New Place Square and Lockwood Square have been carried out. However, it was clear that no other major investment has taken place in the recent past and a number of major components have come to the point of requiring upgrade or complete renewal.

- The survey consisted of an assessment of the properties included against the criteria set out in the Decent Homes guidance, looking in turn at: the housing health and safety rating system (HHSRS) and presence of any category 1 hazards; then, if the property is in a reasonable state of repair; and finally that it has reasonably modern facilities.
  - A third of the properties were also found to be in non decent condition in terms of the criteria set out by the DCLG. The poor condition of the windows and the requirement for replacement and repair across the estate has a significant impact on compliance. The impact of this was that when combined with the failure of another item this resulted in a failure under Criterion B.
17. The report provides recommendations relating to works for inclusion in the initial works programme and future works. These have been incorporated into internal and external works schedules for each block and form the basis of the estimated costs produced for each option.

#### **Land capacity study findings**

18. FCBS' brief was to complete a desktop review of background information provided about the estate, to engage with residents and officers with a view to identifying potential development opportunities on the estate and to assist with the development of these into viable options for assessment as part of the option appraisal process.
19. The outcome of the land capacity revealed limited opportunities for infill development on the Four Squares Estate. Based on the retention of the existing buildings and following feedback from residents, it was determined that the internal courtyards are not considered suitable for infill, nor is it practical for additional storeys to be placed at the top of the blocks. In view of this the only opportunities for infill development were on or adjacent to the game courts on the estate, which form the basis of options 4 and 5, or the conversion of the garages at Marden and Layard Squares for live/work or commercial use.

#### **Development of the options**

20. Following the initial RSG meeting where officers outlined the option appraisal process and its objectives, some concerns emerged among residents that the outcome of the appraisal process was a foregone conclusion and a decision had already been taken to demolish the entire estate. Officers gave assurances that wholesale demolition had not been agreed, and that such a step would be very difficult to deliver in any case, in terms of rehousing capacity and funding for leaseholder acquisition. A number of residents formed a 'Save our Squares' campaign group and sought to gain firm assurances from the council about the parameters of the options appraisal.
21. In response to these concerns the Deputy Leader and Cabinet Member for

Housing Management wrote to residents and attended a public meeting. It was confirmed that the demolition of blocks would not feature as part of the options appraisal.

22. A number of the Save our Squares group have since become active members of the Four Squares RSG and have been involved in the process throughout the development of the options set out below.
23. The options considered in the appraisal model evolved over time through consultation with the Four Squares RSG, the wider estate and the incorporation of the findings of the building condition survey and land capacity study. Four draft options were initially presented to the RSG prior to wider estate consultation and a variant option was included on the basis that kitchen replacements, in addition to security and bathroom works, were one of the items prioritised by respondents to the initial survey. In terms of the land capacity study, the results of which feature in options 4 and 5, it was concluded that development above existing buildings was not a practical possibility and was therefore not considered as part of the process.
24. Five draft options were produced and presented to the RSG for comment and to the wider estate for feedback at an open event held in November 2011. 50 residents attended the event and 34 provided feedback on the draft options.
25. The draft options presented were as follows:
  - Option 1 - Warm, dry and safe
  - Option 2 - 30 year life cycle including external works  
Internal works to Decent Home standard and communal works to last 30 years.
  - Option 3 – Enhanced refurbishment  
Includes works outlined in option 2 above but with kitchen and bathroom replacement to tenanted flats.
  - Option 4 - Enhanced refurbishment and infill development  
Includes works outlined in option 2 plus two small infill developments; re-provision of play space.
  - Option 5 - Enhanced refurbishment included works as outlined in Option 2 and infill development, plus refurbishment of garages at Marden and Layard Squares for alternative uses such as live/work or commercial.
26. Analysis of the 34 respondents at the open event showed that options 1 and 2 were popular with residents; views about option 3 were largely indifferent, but options 4 and 5 were strongly disliked.
27. Comments received from residents in relation to the infill developments proposed in options 4 and 5 expressed the desire for the estate to remain as is and concerns about the potential loss of community facilities, loss of light and privacy and the lack of benefit to leaseholders from the receipt obtained.
28. Comments were also sought from the council's planning policy and development management teams about the feasibility of the proposals outlined in the two development options. The feedback from all of these sources were considered and the options revised to allow for the inclusion of option 3; the amendment of options 4 & 5 to reflect an increase in the height of the proposed block from 5 to

6 storeys in line with existing blocks in the area, and the incorporation of internal play space to two courtyards. In addition option 5 was amended to reflect the retention of the garages at Marden and Layard squares for reletting, and the provision of 7 new family homes, rather than 14 as in option 4,.

29. The proposal to convert the garages at Marden and Layard Squares into live/work or commercial use was subsequently discarded following survey, due to the presence of extensive service pipes requiring re-routing and the limited floor to ceiling height of the units which would require floor slab excavation to meet current building regulations, at substantial cost and with significant disruption.
30. The five final options considered within the appraisal process were therefore as follows:
- Option 1 - Warm, dry and safe  
This option is based on achieving the government's minimum standard for decent homes and includes internal and external works such as electrical rewiring, replacement of sanitary fittings, the repair or replacement of doors and windows where necessary, roofing, other communal repairs and the completion of works to meet landlord obligations.
  - Option 2 - 30 year life cycle and external works  
This option allows for extensive renewal rather than repair of internal and external elements of works to meet a 30 year life cycle.
  - Option 3 - 30 year life cycle and external works plus replacement kitchens and bathrooms.  
This option provides for the element of works outlined in option 2 plus the extensive replacement of kitchen and bathrooms to tenanted properties.
  - Option 4 - Enhanced refurbishment and infill development  
This includes the level of works outlined in option 2 as well as two infill developments within the boundary of the estate aimed at raising a capital contribution to complete enhanced refurbishment works to meet the decent homes standard for a longer lifecycle.
  - The infill development in this option includes the provision of a 6 storey block consisting of 36 x 2 bedroom properties and the provision of 14 x 4 bed family sized homes, additional play space outside of the four squares, improvements to the under 5's play areas to Marden and Layard Squares and improved car parking areas.
  - Option 5 - Enhanced refurbishment and infill development  
This option includes the level of works outlined in option 2 as well as two infill developments within the boundary of the estate aimed at raising a capital contribution to complete enhanced refurbishment works to meet the decent homes standard for a longer lifecycle..
  - The infill development in this option includes the provision of a 6 storey block consisting of 36 x 2 bedroom properties and the provision of 7 x 4 bed family sized homes, additional play space outside of the four squares, improvements to the under 5's play areas within the internal areas of Marden and Layard Squares and improvements to car parking areas.
31. The residential developments proposed in options 4 and 5 were based on the following assumptions:
- All new homes to be compliant with Southwark's Residential Design Standards.

- Proposals to comply with the requirement of the Core Strategy that residential developments of 10 or more units provide 60% of units as 2+ bedrooms and that 20% are 3+ bedrooms.
- In accordance with the Core Strategy, 35% of the homes to be affordable, with 70% of intermediate tenure and 30% social rented.
- No affordable housing grant.

### Estimated costs

32. Estimated feasibility costs for the five options were produced by independent quantity surveyors based on schedules of works resulting from the building condition survey and the cost of development proposals put forward by the architects. It should be noted that the cost information input into the appraisal model did not include contingency; this was to avoid distorting the results as the model has its own contingency formula. The projected total costs associated with each option, including contingency, are shown in table 1:
33. The costs shown in table 1 are estimates produced for the purposes of informing the option appraisal. These will need to be firmed up once the contract requirements have been developed and a specification of works agreed.

**Table 1**

Option	Option outline description	Initial capital costs (£)	Additional cost for next 30 years	Total costs over 30 year life	10% Contingency Sum	Total Cost
Option 1	Warm, dry and Safe	15,516,866	23,706,920	39,223,786	3,922,379	43,146,165
Option 2	30 Year life cycle and external works	20,571,077	18,522,679	39,093,756	3,899,847	42,993,603
Option 3	30 yr life cycle and external works plus kitchens	24,173,845	12,827,038	37,000,883	3,700,088	40,700,971
Option 4	Option 2 works plus infill (50 units)	20,845,545	18,417,675	39,263,220	3,926,322	43,189,542
Option 5	Option 2 works plus infill (43 units)	20,876,730	18,417,675	39,294,405	3,929,441	43,223,846

34. For options 4 and 5, estimated land valuations based on the current market value of the developments proposed were produced by the council's valuers and the potential receipt input into the cost element of the appraisal model. Once developer's construction costs and enabling works including removal of play areas were taken into account, the likely capital receipt arising was approximately £1m.
35. The results show that the estimated initial cost of each of the options is higher than the £12.5m budget allocation for the Four Squares in the current Five Year

Investment Programme. It is acknowledged that these estimated costs will need to be firmed up once the specification of works have been agreed. Additional resources would have to be identified to provide any of these packages of works. In addition option 3 includes an enhanced package of internal works to tenanted properties such as general kitchen and bathroom renewal, which goes beyond existing housing investment policy.

36. However, due to the size and scale of the Four Squares blocks the package of repair works proposed in option 1, whilst making the properties warm, dry and safe, will not enhance the communal or external areas of the blocks substantially. Consideration should therefore be given to increasing the level of works to include a greater level of renewal rather than repair, with a view to sustaining the future long term life of the blocks, and reducing further major works investment in future years.
37. Security works are also due to be commenced to two of the blocks on the estate within this financial year. If the other investment works were to be undertaken simultaneously, it would introduce the potential for savings in terms of scaffolding and preliminary costs attached to site set up. It would also assist in supervision and prevent the possibility of disturbance to earlier works as could occur if they were undertaken in two stages. In addition, early security works introducing controlled access to the blocks would also protect later stages of the works from possible vandalism or theft.

### **Options appraisal findings**

38. Each of the five options were evaluated against the council options appraisal model designed to assess the strategic fit, net present value and risks attached to each.

39. In summary each of the options were assessed against the following criteria:

#### Strategic fit

40. These are based on the corporate objectives outlined in the Council Plan, i.e:

- Working with communities to come up with innovative solutions;
- Creating a fairer borough;
- Making Southwark a place to be proud of;
- Realising potential;
- Transforming public services.

#### Net Present Value (NPV)

41. The base inputs in this section included

- Capital costs
- Lifecycle cost
- Revenue costs,
- Capital receipt or grants
- Income revenue

## Risk

42. Each option was assessed against
- Operational risks,
  - Staffing and culture,
  - Legal issues,
  - Reputational,
  - Financial and economic
43. The strategic fit and risks associated with each option were assigned scores by officers from the Estate Regeneration team, Housing major works and property.
44. The results of consultation with residents obtained through the initial survey, feedback from the open events and the views of the RSG were taken into account in the strategic fit section of the option appraisal.
45. Some elements of works, such as front entrance doors feature in both the general works for the estate and the security works. The budget allowance for both packages has been included as capital costs in the NPV section of the appraisal model to reduce the possibility of double counting. A budget of £12.5m for all works is therefore assumed throughout.
46. The outcome of the options appraisal is as outlined in table 2 below, with each of the 3 appraisal elements ranked against the options.

**Table 2:** Average ranking of options 1-5 (1 is best performing, 5 is worst)

<b>Option</b>	<b>Strategic Fit</b>	<b>NPV</b>	<b>Risk</b>	<b>Total</b>
Option 1	3	5	2	10
Option 2	4	3	3	10
Option 3	5	1	1	7
Option 4	2	2	4	8
Option 5	1	4	5	10

## Strategic fit

47. Option 5 scores well in terms of the strategic fit in that it allows for the improvement of existing housing and provides additional affordable housing and improved amenities on the estate, whereas option 3 scores the worst in terms of strategic fit as although it would achieve much locally, much of the strategic fit criteria relate to boroughwide benefit.

## Net present value

48. Option 3 scores best in terms of net present value and is the lowest overall cost over the 30 year life, whereas option 1 scores the worst due to the lower initial years cost and high future years cost.

## Risk

49. Option 3 also scores well in terms of risk, this is likely to be due to the fact that the works are delivered directly and there are checks and balances in place to ensure that the risks involved may be mitigated. Conversely option 5 scores the

worst in terms of risk. This is largely due to the external risks attached to disposal of the land and achieving the best value, both of which are subject to vagaries of the market.

### **The preferred option**

50. Based on the use of the option appraisal methodology, option 3 emerges as the preferred choice having achieved the lowest ranking. The costings for the works required in all options go beyond the resources currently included in the housing investment programme and there is therefore a need to identify further resources. It was assumed as part of the appraisal process that this could in part be achieved through infill development as proposed in options 4 and 5. However the impact of this will be the loss of some of the existing amenities to estate residents, albeit balanced with the improvement of other areas of the estate. The potential gain from capital receipts does not provide sufficient benefit to outweigh the loss of amenity, particularly given the time it may take to accrue and the planning risk involved.

### **Resident consultation**

51. Consultation on the estate began in June 2011, when officers met with the Four Squares Tenant and Residents Association (TRA) to advise of the cabinet decision of May 2011 and discuss the intention to complete an option appraisal and form a resident steering group and to request the TRA's support in progressing the option appraisal.
52. Consequently the Four Squares RSG, formed of 29 individuals in July 2011, includes active members of the TRA and at least one tenant and leaseholder from each block. Open Communities were appointed as the Independent Resident Advisor in August 2011.
53. Since July 2011 RSG meetings have taken place roughly on a fortnightly basis, to progress the options appraisal process. Meetings have been attended by an average of 16 residents. The group has also at various times met separately with the independent resident advisor to formulate their views on the draft options, the outcome of which has been considered as part of the appraisal process.
54. The group's involvement in the appraisal process throughout this period has included:
- Participation in the selection of the independent resident advisor.
  - Participation in the selection of the building condition surveyors and architects.
  - Input into the development of the five options through consultation with the building condition surveyors, architects and officers.
  - Input into the consultation strategy for the estate including: the development of the initial survey and review of responses; information provided at open events; and other information disseminated on the estate.
55. Other methods of engagement and consultation with residents have included:
- July 2011 – Letter to all residents informing of the council's intention to complete an options appraisal for the estate and inviting participation via a resident steering group, to progress this.



- Publication of the minutes of RSG meetings on the council's website.
- Officers' letter dated 13 July giving assurance to residents that no pre-emptive decision had been taken.
- August 2011 – Letters publicising a public meeting attended by the Deputy Leader and Member for Housing Management and clarifying the outcome of that meeting.
- An initial option appraisal survey was also circulated in late August to gauge residents' views and aspirations for the estate. This survey was developed in conjunction with RSG members and the results of the survey informed the development of the options appraised, specifically option 3 which includes the renewal of kitchens to tenanted flats. This was one of the top three priorities identified by the 154 respondents to the survey.
- Sept 2011 – An information event was held on the estate to update residents on the various stages of the option appraisal process and the data to be gathered to inform the process. This consisted of information boards outlining each stage of the option appraisal process; how residents would be consulted and outlined what the stock condition and land capacity study would involve. This event was attended by 14 residents, including 9 members of the RSG.
- Nov 2011 – Letter advising of the appointment of the architects and building surveyor and an invitation to tenants to participate in the internal flat surveys. RSG members were also invited to put forward properties for inclusion in the surveys.
- 28 Nov 2011 - An open event was held on the estate to consult with residents in relation to the five draft proposals for the estate and to enable feedback to be collected. Information boards with details of each option were displayed along with an architect's model of the estate to show the scale and position of the infill development proposed in options 4 and 5. The building surveyors, architects and officers were also present to discuss the implications of the draft options with attendees. This event was attended by 50 residents, 34 of which completed resident feedback forms provided.
- Dec 2011 – Estate wide circulation. A summary of resident feedback obtained in relation to the five draft options presented at the November open event were circulated estate wide as well as an invitation to all residents to participate in a subsequent drop in session.
- Dec 2011 – The second estate wide drop in session was held to provide feedback from the open event of 28 Nov and to consult with residents on the proposed amendments to options 4 & 5. This event was attended by 5 residents including RSG members.

### **Response from Four Squares RSG**

56. The outcome of the options appraisal was presented to RSG members along with an outline of the estimated leaseholder costs for each option. This resulted in concern being expressed about the estimated costs of work in relation to the resources available and the potential size of leaseholders' major works service charges.
57. The initial view of the RSG was that they felt unable to support any of the options proposed. After some consideration the group stated that they wished the council to pursue Option 3, and made a series of further requests which are outlined below, with the council's response alongside.

Item	Conditions/Undertakings sought by the RSG	Council response
1	That LBS officers involved in the previous security works to have no involvement in either the security works or regeneration works on behalf of LBS.	Given the level of the programme to deliver overall, it will be necessary to review resource levels of major works project management. We would expect to have to assemble a specific project team for the 4 Squares scheme.
2	Leaseholders to be given copies of any guarantees issued on works elements carried out.	This is agreed for works where a guarantee is issued to the council.
3	Individual interviews to be arranged with homeowners to discuss payment options and payment plans/arrangements tailored to the individual's specific circumstances when firm contractor costs are available.	This has been agreed.
4	Interest free period for payment of leaseholder charges by instalments to be maximized. Request that this is extended from 48 months to a period of 6 years as practised in another London Borough.	The interest free period has recently been extended to 48 months. It is not currently envisaged that this will be extended further, however more appropriate repayment options are available.
5	Works to start at the South (Layard and Marden) end of the estate.	It is the council's intention to start work at the southern end and to consult with residents on the detailed scheduling with the appointed contractor in place.
6	No moratorium or delays to necessary responsive repairs in the period between now and works commencing (or during works), in particular internal repairs to flats.	This has been agreed.

Item	Conditions/Undertakings sought by the RSG	Council response
7	<p>Contract Management Requirements</p> <p>Regular (weekly) scrutiny meetings with contractors.</p> <p>Identity Cards for all on site operatives including company names plus Hi Vis over jackets with company name on the back.</p> <p>Resident involvement in the Construction Design and Management (CDM) process for Health and Safety.</p> <p>Presentation on the asbestos removal process for residents, preferably to be given by the company carrying out the works</p> <p>Frequently Asked Questions information in Plain English re asbestos removal and other aspects of the works</p> <p>Container cabins associated with the works to be located in the football pitch areas rather than on the road so as not to impact on parking.</p>	<p>It is considered that weekly meetings would be too frequent, and that formal meetings with resident representatives should be held monthly. Any matters arising between meetings can be raised at any time with the council's Customer Relationship Officer and the contractor's Resident Liaison Officer.</p> <p>This is agreed.</p> <p>This is agreed; this should be conducted with the Resident Project Team.</p> <p>This is agreed; this should be conducted with the Resident Project Team.</p> <p>This is agreed.</p> <p>This suggestion is welcomed and will be investigated.</p>
	<p>"G" zone restrictions to be lifted for Drummond Road during works.</p>	<p>This is being further considered.</p>
8	<p>Resident involvement in selection of fixtures and fittings, including range of manufacturers invited to supply.</p>	<p>This is agreed; this should be conducted with the Resident Project Team.</p>
9	<p>Resident choice within ranges of finishes identified in # 8</p>	<p>This is agreed.</p>

Item	Conditions/Undertakings sought by the RSG	Council response
10	Right for reluctant tenants to refuse internal improvement works where these would be unreasonably distressing because of tenant's circumstances.	This is agreed in principle, subject to the council meeting its landlord obligations.
11	No infill building to be carried out on the estates as part of the scheme.	Agreed, but there will need to be some disposal of naturally arising void properties on the estate.
12	"Green" approach to the works if cost neutral or cost beneficial to residents and if there are no delays resulting.	Agreed, and energy improvements achieved will be published.

58. Consultation with residents in relation to the preferred option is underway. All residents and non resident leaseholders were sent a preferred option survey on 29 February with a closing date of 10 March. This was accompanied by information sheets outlining the preferred option and the implications for tenants and leaseholders. An estate drop in session event was held on 6<sup>th</sup> March to enable residents to discuss these proposals and to submit their completed surveys. This event was attended by 42 tenant and leaseholders from the estate. Lead officers and representatives from the Home Ownership Unit were present to answer queries. The responses of all surveys received will be analysed and provided to cabinet as Appendix (4) to this report.
59. In the event of the recommended scheme being agreed, consultation on the preparation of the delivery scheme will be undertaken through the "Putting Residents First" protocol which has been developed through joint working with a number of representative groups. The protocol is a 27 point plan, providing a template for officers, contractors and consultants that sets out very clearly in stages from inception to completion how the council and its partners will work with residents.

### Policy implications

60. The council's agreed approach is to undertake investment works to the housing stock to make homes warm, dry and safe, thereby meeting the Government's decent homes standard. An enhanced refurbishment to the Four Squares Estate will contribute towards meeting the council's objective of ensuring all homes are warm, dry and safe and will also be in keeping with the Council's aspiration to develop a 30-year asset management plan.
61. The strategic fit assessment in the options appraisal model has been aligned with the fairer future promises and key supporting portfolio objectives and targets for delivery expressed in the Council Plan.

### Community impact statement

62. Based on the outcome of the impact assessment carried out in relation to the Housing Investment Programme in 2011, it is envisaged that investment in the

council's housing stock will have a positive impact on all groups residing in these properties through the delivery of warm, dry and safe homes regardless of age, disability, faith/religion, gender, race and ethnicity and sexual orientation.

63. The outcome of the options appraisal addressed in this report will mainly impact on tenants, leaseholders and non resident leaseholders living on the Four Squares Estate. The outcome is likely to be a positive one as the aim is to improve living standards by investing in the blocks on the estate, to ensure that all homes are warm, dry and safe.
64. The completion of security works to Marden and Layard Squares is aimed at restricting access to the blocks and internal courtyards to residents with a view to reducing anti social behaviour, which has been a significant issue in the local area. This will bring the security level of those blocks on par with the neighbouring blocks on the estate and provide a greater level of comfort to the elderly residents residing in the Sheltered Accommodation at Marden Square.
65. Resources have been identified to complete these works as a minimum; however, the outcome of the appraisal is that a greater level of resources will be required to meet the investment needs of the blocks. Additional funds will need to be identified to prevent a negative impact on the delivery of other schemes within the borough. It is proposed that part of these resources should be generated by the disposal of void properties on the estate. This will reduce the number of properties available for future lettings.
66. It is acknowledged that the Four Squares Estate by virtue of its size and age requires significant investment, and any delay in completing these works is likely to result in further deterioration over time requiring a greater level of investment in future years.

### **Recommended approach**

67. Four Squares is the largest Southwark Housing estate that does not have an agreed investment or regeneration plan, with the exception of the security works proposed for Marden and Layard Squares. The appraisal methodology identified enhanced refurbishment as the preferred option. It is clear that the scale of the investment need for the estate is a significant challenge irrespective of the option adopted. Paragraphs 36-37 identify the advantages in asset management terms of incorporating some front loading of investment, including a reduced future call on the programme by the Four Squares Estate.
68. There is a need to identify further resources to bring forward expenditure and to mitigate the impact on the housing investment programme. One part of the solution is to identify or generate capital receipts for recycling into the Four Squares Estate. Some will need to be found from the estate itself. Infill development does not offer a viable solution; therefore the disposal of selected void properties should be considered.
69. Therefore it is recommended that voids to the value of £9m should be disposed of representing the rounded difference between the estimated costs of works in option 1 and option 3. The strategy would involve the disposal of naturally arising voids in the bedsit, 1 and 2 bedroom categories. In the recommended approach arising from option 3, it is proposed that disposals are undertaken to maximise the value obtained for each and therefore to dispose of only sufficient

properties to meet the cost of enhanced refurbishment on the estate. There will not be an upper or lower limit to the numbers of properties to be disposed of, but depending on the value achieved (estimated at an average value of £130k per property), properties will only be disposed of up to the level of the resources required. It is envisaged that void properties will be disposed of across the life of the scheme, but an evaluation will be made on whether disposals before works have been undertaken to a block generate sufficient capital receipt to provide benefit to the scheme. It is known that a total of 75 voids have become available on the estate in the last two years; of these 50 were smaller bed sizes comprising of bedsits, 1 and 2 bed units. It is proposed that lettings of properties in this bed size on the Four Squares Estate are suspended at a suitable point in the lead up to the project, this decision to be taken by the Director of Housing Services.

70. The programming and marketing of the voids for sale will be undertaken by the council's property team who will procure and manage appropriately qualified and experienced estate agents who will be instructed to maximise the value of the individual units through professional and targeted sales and marketing. Asking prices and eventual sale prices will be set in conjunction with these appointed agents but the overall authority to dispose will be reserved to the head of property. Sales will only be approved where they achieve Market Value.
71. The completion of the major works to the estate will substantially enhance the value of the individual units identified for disposal whilst making them more saleable.
72. Careful consideration will be taken when deciding on the internal specification of the works to the voids for sale. The correct level of investment will be critical in achieving an optimum return to the council.
73. It is judged that the acknowledged major works requirements are best dealt with in terms of both asset management and disruption to residents by 'front loading' the delivery of works. The rationale for this is that the make up of the blocks would necessitate replacement of the same elements to different parts of the blocks at different times. This would require for example, scaffolding to be erected on a number of occasions through the investment cycle. Furthermore there is no logic to undertaking comprehensive works to one or other block in sequence in successive programme years; all blocks have a number of partial element failures, for example higher level windows which have been more subject to the weathering. As outlined in paragraph 37 there is considerable efficiency to be achieved by completing works in a sequential fashion but in one overall package. The completion of security works to the garage areas at Marden and Layard Squares will also bring the substantially disused garages back into use.
74. It is recommended that a scheme of enhanced refurbishment is undertaken to all blocks including the sheltered accommodation units at Marden Square (it should be noted that Sheltered Units within the borough are subject to a general boroughwide review), to run concurrently with the security works already committed for Marden Square and Layard Square. A scheme of this size will cross several programme years; it is estimated that the duration of works is likely to be 36 months. The resources required will need to be refreshed as part of the constant review of the overall programme.

75. Key to the successful delivery of the Four Squares Estate refurbishment and the wider warm, dry and safe programme will be to ensure that the project teams within the major works division responsible for the delivery of projects are given clear milestones and targets to work to and provided with streamlined procedures within proper delegated authorities to enable them to deliver.
76. Restructure within the major works team means there is greater focus and responsibility to ensure good project management going forward.
77. The new structure established project teams responsible for specific contract areas and one individual partnering contractor. The team led by a Project Manager includes a Contract Manager, Customer Relationship Officer, Lead Designer and Clerk of Works. Teams will be taking joint responsibility for all the projects across their geographic area; no one team member will be working in isolation and every team member is involved in the full range of projects within their team. There is an expectation that this contract will be closely supervised by the team to ensure that the contactors apply a high duty of care throughout the delivery of the works particularly when dealing with the households in the Sheltered Accommodation Unit.
78. Exacting contract management processes that monitor performance against forecast cashflows and delivery against key milestones are in place.
79. Progress will be monitored on establishing the heat network from the South East London Combined Heat and Power (SELCHP) plant which would be expected to connect to Four Squares Estate. The costs of any necessary works to the boiler plant and main distribution system would be met by the SELCHP scheme

#### **Investment implications (inv/ii2590/28Feb2012/rjb)**

80. The level and timing of the proposed expenditure will cause the costs of the planned 5 year Housing Investment Programme (HIP) to exceed the level of resources currently assumed. There are however additional resources expected to become available which are not yet included in the programme or identified for specific schemes. These include £15m Decent Homes Backlog government funding for 2013/14 and a further £32m (making £50m with the £18m currently assumed) for 2014/15 to be confirmed. Recommendation 8 of the HIP and Revised Strategy report to cabinet on 31 May 2011 stated that these and any other additional funds becoming available would be used to bring forward schemes within the programme. Other additional funds such as capital receipts are anticipated which may achieve over and above the level of current projections.
81. These additional resources will allow a refresh of the HIP in the light of revised assumptions for both the funding and the delivery of the programme. Such a refresh will allow a review of priorities across the different areas of the programme and the bringing forward of specific schemes as is proposed in this report.
82. The approved programme includes a provision of £12.5m from 2012/13 for Four Squares, including £5.0m for the completion of security works and a further £7.5m for the refurbishment of the estate. The overall costs of the preferred option 3 are £40.7m as shown in table 1. This includes future lifecycle costs which fall outside the HIP, and when these are excluded the capital

refurbishment costs to the current programme are approximately £26.6m (including a 10% contingency sum) in years 2012/13–15/16. This will require an additional allocation of £14.1m to be made available through a revision of the HIP as referred to in the above paragraph. It is anticipated that approximately £9m of this requirement can be funded through disposal of void properties on the estate as outlined in paragraph 69.

83. In the context of high investment needs estates it should be noted that a significant reduction in costs to the HIP has been identified in the proposals for the Abbeyfield Estate (also on this agenda). In the longer term this is estimated to offset the additional costs proposed in this report.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

84. The enhanced refurbishment recommendation in this report falls within the ambit of housing management matters that require consultation with the council's affected secure tenants. The report indicates that consultation has been carried out with potentially affected residents of all tenures on the Four Squares Estate. To meet legal requirements consultation must be undertaken when the proposals are still at a formative stage, include sufficient reasons for the proposals to allow any interested party the opportunity to consider the proposal and formulate a response and allow adequate time for interested parties to consider the proposal and formulate their response. Those responsible for taking decisions on proposals should take into account the product of consultation when making decisions on the matters concerned. The report confirms the outcome of consultation to date and confirms the outcome of further consultation will be available to members for consideration when taking a decision on the recommendation. Members are advised that a decision on the recommendation should be taken after careful consideration of consultation responses from interested parties.
85. Cabinet will note from paragraph 69 of this report that officers estimate the average consideration expected to be received for the sale of one of the properties on the estate is £130,000. The Constitution provides that authority for disposals of property up to a market value of £500,000 is a matter reserved to the head of property for decision.

### **Finance Director (AV/F&R/27/02/2012)**

86. This report recommends that the cabinet notes the findings of the Four Squares Options Appraisal and approves that work continues to implement a scheme of enhanced refurbishment to all blocks, running concurrently with security works committed for Marden Square and Layard Square. Also, that the cabinet notes substantial financial requirements of the refurbishment and instructs officers to programme future resources to defray these costs from a number of sources including on site void property sales.
87. The Finance Director notes the resource and investment implications contained in the report, and the estimated feasibility costs of each option as outlined in Table 1. The council's five year investment programme includes a budget of £12.5m consisting of £7.5m for completion of Warm, Dry and Safe works to the estate, and £5m for security works at Marden and Layard Squares blocks,



however each of the five options proposed shows total estimated costs greater than this current allocation, even allowing for generation of some land receipts through options 4 and 5. The preferred option 3 with initial capital costs of £24.2m is estimated to cost £11.7m more than the current available budgets and therefore significant revision to the HIP on this point will be needed, to re-profile future resources accordingly.

88. A number of actions must be completed to complete this re-profiling. Firstly the current budgets for the Four Squares work in the HIP capital programme stand at just over half of the forecast up-front capital expenditure. Additional resource to support this expenditure will need to be reallocated in the capital refresh so that the preferred programme option is fully funded. Whilst there is potential for a significant reduction in overall costs to the HIP associated with Abbeyfield Estate proposals which may well offset the cost of the preferred option over the longer term there is no capital receipt anticipated from the preferred option here and therefore careful analysis of resources will be needed when the capital refresh takes place to ensure over-programming does not occur. Additional life cycle costs estimated for the next 30 years will need to be subject to the same rigorous review and future approvals as the point in time for incurring them approaches.
89. The revenue expenditure for the estates is supported by the approved repairs and maintenance budget controlled by the housing management service, which will be monitored through the process of annual budget setting. Housing rents associated with the estate will exceed the revenue expenditure over the life of the programme.
90. Officer time to implement the recommendations will be contained within existing budgeted revenue resources.

#### **Head of Home Ownership and Tenant Management Initiatives**

91. Home Ownership Services would support option 3 because as a general rule it is more efficient to undertake all necessary works in one contract. To do otherwise could result in leaseholders challenging the reasonableness of the service charge – for example two lots of scaffolding, preliminaries etc.
92. Much of the work proposed is service chargeable, so the council will be required to carry out statutory consultation with leaseholders under section 20 of the landlord and tenant act 1985 (as amended). If the prevailing partnering contract pertains then Home Ownership Services will need to carry out the consultation under schedule 3 of the regulations, which requires a single notice detailing the works proposed, justification for those works and the total cost. Leaseholders will have a 30 day period to make observations, which must be fully considered prior to the package of work being let. Home Ownership Services have given advice on the statutory consultation requirements should another contractor, including the back-up contractor, be used.
93. The council recognises that some leaseholders will have difficulty in paying large major works service charge bills. A number of payment options are available to leaseholders, dependant on their particular circumstances and staff within Home Ownership Services are available to discuss these with leaseholders on an individual basis. In particular the interest free payment scheme has recently been extended from 36 months to 48 months for service charges such as those which need to be invoiced in respect of these works. The extension of the

interest free period means that Southwark offers the longest period of all councils with the exception of one north London authority. Most councils offer 36 months, none have extended this period to 48 months. The viries for a 72 month period is uncertain. The introduction of the new general power of competence by the Localism Act, together with the rigours of a self financing regime for the housing revenue account will afford the opportunity to review interest free periods. With very large service charges these shorter interest free periods are still unaffordable for many leaseholders who need the longer periods of traditional mortgages or schemes to release equity. Southwark is the first authority in the country to use the powers afforded by the Housing and Regeneration Act 2008 to create policies for equity release and equity loan, again specifically aimed at helping long leaseholders to pay major works service charges.

94. The management of garages now falls within the remit of the Home Ownership and Tenant Management Initiatives Division. The garages under Marden and Layard Squares are in dire need of security and refurbishment work, similar to that carried out to the garages under Lockwood and New Place Squares. Very few garages under Marden and Layard are let (or in a lettable condition), while the majority under the other two blocks have been successfully let and are bringing in an income. The garages under Marden and Layard Squares are currently suffering from vandalism and fly-tipping, with cars being abandoned and set on fire. This means that not only is there a loss of income on the void garages (the vast majority), but there are on-going costs of security and clearance. Home Ownership Services are arranging for temporary security works to be undertaken to close off the areas prior to the investment works being carried out.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Four Squares Estate – Condition Survey	Deputy Chief Executive’s Department Regeneration Initiative, 160 Tooley Street London SE1 2QH	Sonia Esnard 020 7525 7743
Four Squares – Building Condition Report	As above	As above
Four Squares Estate – Land Capacity Study, Rev A	As above	As above

## APPENDICES

No.	Title
Appendix 1	Covering Letter re Preferred Option Survey
Appendix 2	Preferred Option Survey
Appendix 3	Resident Information Pack
Appendix 4	Resident Responses to Preferred Option Survey (to be circulated after the closing date of 10 March)

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management and Councillor Fiona Colley, Regeneration and Corporate Strategy	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Author</b>	Sonia Esnard, Acting Principal Asset Management Officer	
<b>Version</b>	Final	
<b>Dated</b>	9 March 2012	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Head of Home Ownership and Tenant Management Initiatives	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	9 March 2012	

**APPENDIX 1****Covering Letter re Preferred Option Survey**

**To all residents of:**  
Four Squares Estate

**Estate Regeneration Team**  
**Direct dial: 020 7525 7743**

27 February 2012

Dear Resident,

**Four Squares Estate options appraisal outcome: preferred option consultation**

As you will know, we have been comparing the different options for the future of the Four Squares Estate. We have now completed our analysis and have identified a preferred option to consult you on, that will be considered by the Council's Cabinet on 20th March. The preferred option is Option 3, Enhanced Refurbishment which includes kitchen and bathroom renewal. If this option is agreed, it will require the disposal of some empty properties on the estate to help pay for the works. Enclosed in this pack is an information sheet summarising the works that we have estimated for in the preferred option. Please read this sheet carefully.

**Preferred option consultation survey**

Enclosed within this pack is a questionnaire for our preferred option consultation survey. The purpose of this survey is for us to understand resident opinion of the preferred option and its implications, so that when Cabinet makes its decision on 20<sup>th</sup> March, Cabinet members are fully aware of what residents think of the preferred option. It is important that you complete this survey and return it to us in the freepost envelope enclosed by Friday 9 March 2012. You can also hand in your survey to a Council officer at the preferred option drop-in session on Tuesday 6 March 2012.

**Preferred option consultation drop in session**

We will be holding a preferred option drop-in session on:

**Tuesday 6 March between 6.00pm and 8.00pm  
in Marden Square TRA Hall.**

This will be an opportunity for you to come in and talk to Council officers about the preferred option before filling in your survey. You will also be able to hand in your survey on the day. Officers from the Home Ownership Unit and Mal McGirr, your independent resident advisor, will be there to answer any queries you might have.

**Information for leaseholders**

The information pack give an outline of the works that we have included within the specification for the enhanced refurbishment option and our budget estimates of the cost of this option to leaseholders. Please read this sheet carefully. Leaseholders should note that this is a budget estimate only, intended to give an estimate of the likely cost implications of enhanced refurbishment. Prior to refurbishment works commencing, our contractors will need to issue us with firm estimates of the costs for works, which you will then be consulted on through the 'Section 20' process. Please refer to the information sheet for further detail.

**Estate Regeneration Team**, Housing Regeneration Initiatives PO Box 64529, London SE1 5LX  
**Switchboard:** 020 7525 5000 **Website:** [www.southwark.gov.uk](http://www.southwark.gov.uk)  
**Chief executive:** Eleanor Kelly (acting)

## Next Steps

The Council's Cabinet will be considering Option 3 – enhanced refurbishment of the Four Squares Estate at Cabinet on 20 March 2012 including the funding arrangements and the timetable.

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

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

Should you require further information about any of the information contained within this pack, you can contact myself on 0207 525 7743 or at [sonia.esnard@southwark.gov.uk](mailto:sonia.esnard@southwark.gov.uk) or Mal McGirr, your independent resident advisor on the freephone number 0800 073 1051.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Sonia Esnard".

Sonia Esnard  
**Project Officer**  
Estate Regeneration Team

## THE PREFERRED OPTION SURVEY

The Council's Cabinet plans to decide on which investment works will take place at Four Squares Estate on 20 March 2012. The Cabinet will be considering the refurbishment of the blocks internally and externally to an enhanced standard, including the renewal of kitchens and bathrooms to tenanted flats. We want to know what you think of this preferred option. Please fill in the questionnaire below and return it to us by **Friday 9th March 2012 – details on how to return the survey are provided on page 3.** If you would like independent advice or help with filling in this survey, please contact your Independent Resident Advisor, Mal McGirr on freephone number **0800 073 1051**. If you require this information in your language please contact **0207 525 5000**.

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

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

2. Are you a (please tick one):

Secure tenant       Leaseholder       Temporary occupier/ sub-tenant

### Section B: The preferred option – Enhanced refurbishment – 30 year life cycle works plus the renewal of kitchens and bathrooms to tenanted properties.

Please refer to the information sheets included as Appendix 1 for a summary list of the works that we will be proposing to include.

1 **Listed below are the implications of the preferred option. Please tick one box per line to indicate your view.**

Strongly Agree    Agree    Don't Mind    Disagree    Strongly Disagree    Don't Know

A It is better to refurbish the blocks to an enhanced standard so that in coming years, the need for repairs and for major works will be reduced.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B Selling some properties that become empty in any of the blocks is an acceptable way to raise money for investment on the estate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C If possible, It is better to combine the security works at Marden and Layard Squares with other major works to be done there.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D It is better to carry out major works to the whole estate in one contract rather than dealing with the Squares separately in different years.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

1 Are you satisfied with the choice of option 3 - Enhanced refurbishment as the preferred option? (please tick one)

Yes  
 No

## FOUR SQUARES ESTATE - OPTIONS APPRAISAL – PREFERRED OPTION SURVEY 2012

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

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

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

### Section D: Your priorities

1 The six priorities listed below were collected from resident feedback in November. **Please tick 3 of the statements** that are most important to you:

- |   |                          |  |
|---|--------------------------|--|
| a | <input type="checkbox"/> | Improving the condition and appearance of the blocks and communal areas    |
| b | <input type="checkbox"/> | Improving the internal condition of my home                                |
| c | <input type="checkbox"/> | Having a solution that is affordable to me                                 |
| d | <input type="checkbox"/> | Not having a new development built that may overlook or overshadow my home |
| e | <input type="checkbox"/> | Not losing any green space or play areas around my home to new development |

**Please do not tick more than 3 of the above boxes. Ticking more than 3 boxes will invalidate your response.**

### Section E: Your comments

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

## FOUR SQUARES ESTATE - OPTIONS APPRAISAL – PREFERRED OPTION SURVEY 2012

**Section F: Monitoring**

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

**1 Age**

- 16-24                       25-34  
 35-44                       45-54  
 55-59                       60-64  
 65-74                       75-84  
 85+                          Prefer not to say

**2 Gender**

- Female                       Male  
 Transgender                 Other  
 Prefer not to say

**3 Disability**

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

- Yes                          No  
 Prefer not to say

**4 Sexual orientation**

- Bisexual                       Lesbian  
 Gay man                       Other  
 Heterosexual                 Prefer not to say

**5 Religion/beliefs**

- Agnostic                       Jewish  
 Atheist                         Muslim  
 Buddhist                       Sikh  
 Christian                       Other  
 Hindu                          Prefer not to say

**6 Ethnicity****White**

- White British  
 White Irish  
 Gypsy/Romany/Irish Traveller  
 Any other white background

**Mixed**

- White and Black Caribbean  
 White and Black African  
 White and Asian  
 Any other mixed background

**Asian or Asian British**

- Indian  
 Pakistani  
 Bangladeshi  
 Any other Asian background

**Black or Black British**

- Caribbean  
 African  
 Any other Black background

**Chinese**

- Chinese  
 Any other Chinese background

**Other ethnic group**

- Any other ethnic group

**Prefer not to say**

- Prefer not to say

**Thank you for completing this survey**

**Please return this survey to us by Friday 9 March 2012. You can do this by:**

- Enclosing it in the FREEPOST envelope included in this pack
- Posting it to Four Squares survey, Estate Regeneration Team, FREEPOST RSCE-TGHU\_CUZZ, Southwark 160 Tooley Street, 5<sup>th</sup> Floor-HUB 3, London SE1 2QH (no stamp needed).
- Emailing it to [estateregen@southwark.gov.uk](mailto:estateregen@southwark.gov.uk)
- Handing it in at the drop in session on Tuesday 6 March 2012, from 6.00-8.00pm in the TRA Hall, Marden Square.



## PREFERRED OPTION : Enhanced Refurbishment

The enhanced refurbishment would include major works, most designed to last 30 years. These works would include:

### Exterior

- Works to repair the concrete and brickwork to the blocks
- Works to repair and renew the roofs (where necessary)
- Replacement of windows and balcony doors with UPVC units
- Renewal of existing front entrance doors with fire resistant doors (unless replaced in previous security works)

**Communal areas** Repairs to doors and windows in communal areas and staircases

- Repairs to handrails and floors in communal areas
- Repairs or renewals of asphalt to balconies, walkways and decks above garages
- Redecoration of existing decorated surfaces to include fire resistant coating

### External works

- Testing and repairs to underground drainage
- Repairs to landlord electrics



**Interior: (most of these works will not be carried out to leasehold properties)**

- Renewal of electrics and heating installations
- Kitchen renewal
- Bathroom renewal
- Renewal of internal fire doors

## PREFERRED OPTION : Implications of works

**Works to your block will be included in the council's Housing Investment Programme for works to start in financial year 2012/13 (the financial year runs from April to March). The intended works could take approximately 36 months to complete across the whole estate.**

**The security works to Marden Square and Layard Square will also be going ahead and are programmed to start in September 2012.**

**Refurbishment to the Enhanced Standard means that over the next 30 years, repair needs will be reduced**

The works that have been proposed have been designed to ensure that the blocks remain in good condition over the next 30 years. This means that the need for further major works and other repairs will reduce. To help pay for the works some empty properties on the estate will have to be sold.

**For the safety of residents, you may have to move out of your home for up to 5 hours.**

Some of the more extensive works proposed may involve the disturbance of asbestos. Examples of such work include the installation of new kitchens and new bathrooms. If we are advised that for resident safety it would be better for residents to vacate their properties while those works are done then you may have to vacate your home for up to 5 hours until the work is complete.

The Council's Major Works team, in consultation with residents and the contractor, will ensure that there are appropriate safe and secure facilities in place for any resident who needs to temporarily leave their home. The exact nature of those facilities will be discussed with residents before any work is carried out on site.

# PREFERRED OPTION : Implications for leaseholders

(The estimated service charge information provided below covers refurbishment works and also security works at Marden and Layard Squares)

PLEASE NOTE: The figures below are budget estimates to be used as a guide and should not be treated as final. Once further surveys have been done and specifications drawn up the charges may well vary considerably – they could go either up or down. Before any refurbishment work starts on the estate, the Council will be carrying out formal ‘section 20’ consultation with you. You will be issued with a notice based on the final specification of works which will include an estimated service charge based on the prices received from the contractor. **Please note the estimated service charges provided below includes refurbishment and security works.**

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

Preferred Option – Enhanced Refurbishment					
1.Block	2.Property Size	3.Initial Capital Cost	4.Maintenance cycle (after 10 years)	5.Maintenance cycle 2 (after 20 years)	6.Cost over 30 years
Layard Square	Bedsit	£25,821,41	£2,568,65	£6,879,23	£35,269,29
	1 bed	£32,276,76	£3,210,81	£8,599,04	£44,086,61
	2 bed	£38,732,12	£3,852,97	£10,318,85	£52,903,94
	3 bed	£45,187,47	£4,495,13	£12,038,65	£61,721,26
	4 bed	£51,642,82	£5,137,30	£13,758,46	£70,538,58
Marden Square	Bedsit	£26,545,81	£1,877,64	£7,189,98	£35,61043
	1 bed	£33,182,26	£2,347,05	£8,983,73	£44,513,04
	2 bed	£39,818,71	£2,816,46	£10,780,48	£53,415,65
	3 bed	£46,455,16	£3,285,87	£12,577,22	£62,318,26
	4 bed	£53,091,62	£3,755,28	£14,373,97	£71,220,87

## Notes

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

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

# PREFERRED OPTION : Implications for leaseholders

(The estimated service charge information provided below apply to refurbishment works only)

PLEASE NOTE: The figures below are budget estimates to be used as a guide and should not be treated as final. Once further surveys have been done and specifications drawn up the charges may well vary considerably – they could go either up or down. Before any refurbishment work starts on the estate, the Council will be carrying out formal ‘Section 20’ consultation with you. You will be issued with a notice based on the final specification of works which will include an estimated service charge based on the prices received from the contractor. **Please note the estimated charges provided below include refurbishment works only.**

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

Preferred Option – Enhanced Refurbishment					
1.Block	2.Property Size	3.Initial Capital Cost	4.Maintenance cycle (after 10 years)	5.Maintenance cycle 2 (after 20 years)	6.Cost over 30 years
Lockwood Square	Bedsit	£14,334,46	£4,136,66	£7,057,70	£25,528,81
	1 bed	£17,918,07	£5,170,82	£8,822,12	£31,911,02
	2 bed	£21,501,69	£6,204,99	£10,586,54	£38,293,22
	3 bed	£25,085,30	£7,239,15	£12,350,97	£44,675,42
	4 bed	£28,668,92	£8,273,32	£14,115,39	£51,057,63
New Place Square	Bedsit	£14,591,22	£4,283,88	£7,864,73	£26,739.83
	1 bed	£18,239,03	£5,354,85	£9,830,91	£33,424,79
	2 bed	£21,886,84	£6,425,82	£11,797,09	£40,109,75
	3 bed	£25,534,64	£7,496,79	£13,763,28	£46,794,71
	4 bed	£29,182,45	£8,567,76	£15,729,46	£53,479,67
Jamaica Road	1 bed	£36,278,42	£6,089,69	£12,693,97	£55,062,08
	2 bed	£43,534,10	£7,307,63	£15,232,76	£66,074,49

### Notes

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

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

## PREFERRED OPTION : Implications for leaseholders

### Payment options

Before any works are carried out on the estate, the council will consult with residents and leaseholders fully. Following on from the finalisation of works costs and Section 20 leaseholder consultation, leaseholders will be issued with a service charge bill. The Council has a range of repayment options for leaseholders.

#### 1. Interest free loans

Payment can be made over a period of up to 36 months in equal, monthly instalments. Payment will need to be made immediately, and missing a payment will mean that the entire outstanding amount will become due, with interest being added until the balance of the invoice is paid. This option is not available to leaseholders who sublet their properties.

#### 2. Loan with interest

You will be charged interest on these loans at the rate stated in the terms of your lease (usually 5% above the base rate of the NatWest bank). You may negotiate a payment period of up to 10 years, but interest will be charged on the outstanding balance. This is an unsecured debt.

#### 3. Service charge loan

This is effectively a mortgage on the property and can be repaid over up to 25 years. Interest will be charged, but the rate is lower than for option 2, which is unsecured debt. We will charge a £498 arrangement fee to cover our legal, valuation and administrative costs, but this can be included in the loan. You may also approach your existing lender or any other finance company for a loan.

#### 4. Voluntary charge on your home

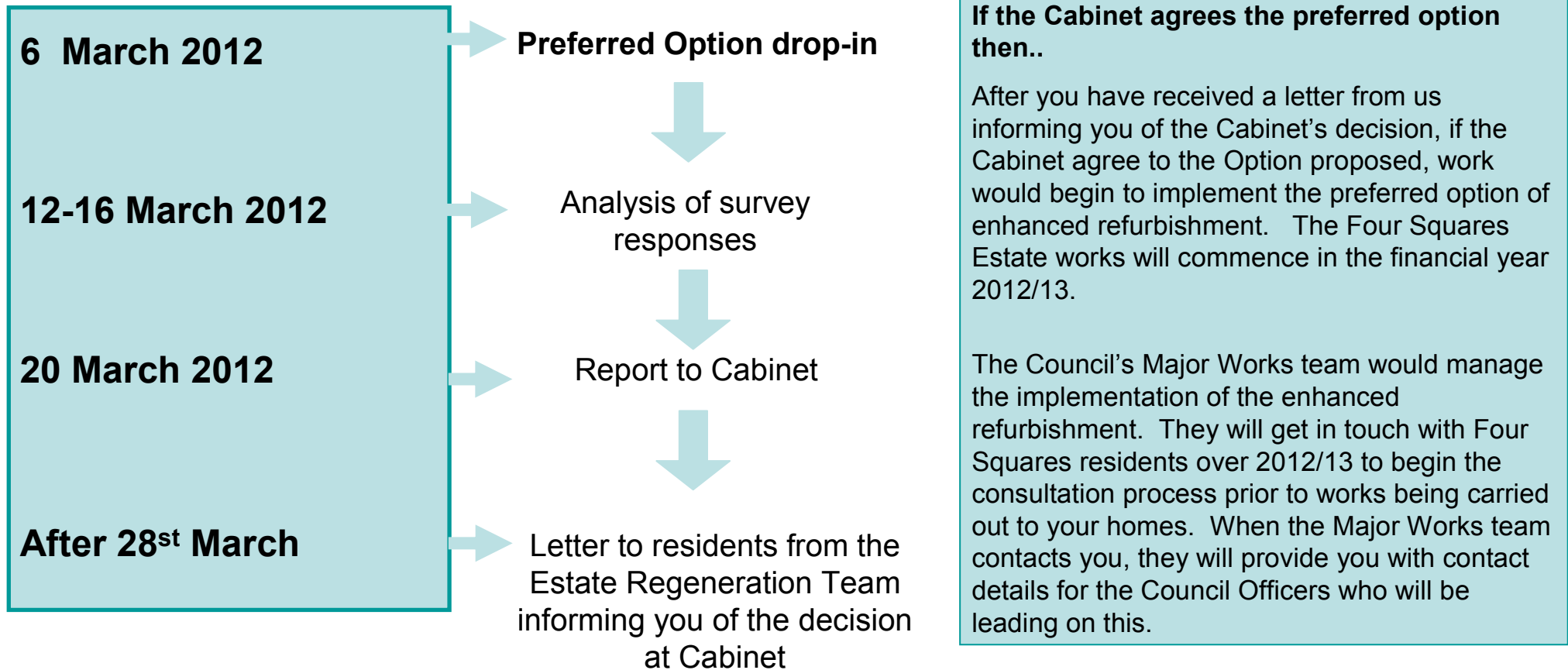
If you cannot afford options 1, 2 or 3 then we may consider allowing you to secure the debt through a voluntary charge on your home. This means that you do not have to make any payment and the debt, including interest, will be repaid when your home is sold.

#### 5. Equity share/equity loan

We can also offset major works service charges by taking an equity share in your property, either by way of a surrender of the right to buy lease and granting of a shared ownership lease, or by way of a legal charge. In both cases we need to do a valuation of the property to see what the works cost is as a percentage of the value.

**To find out more** about the Council's repayment options you can contact Chris Flynn, Housing Services, Southwark Council on **0207 525 0830**.

## PREFERRED OPTION : Next steps



<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Abbeyfield Estate: Options Appraisal for Maydew House, Thaxted Court and Damory House	
<b>Ward(s) or groups affected:</b>		Rotherhithe Ward	
<b>Cabinet Member:</b>		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management and Councillor Fiona Colley, Cabinet Member for Regeneration and Corporate Strategy	

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

After a lengthy and somewhat difficult process, we are finally able to take a firm decision on the future of Maydew House, Thaxted Court and Damory House on the Abbeyfield Estate. The high investment need and future of these blocks has been uncertain for quite a long period of time, more so for Maydew House residents, who have had to live with the uncertainty over the future of their homes for too long. We are now in a position to end that uncertainty.

Following a recent building survey which included both internal and external areas, we can now be confident that we can safely deliver an enhanced refurbishment programme of works. Whilst the proposed works will necessitate the vacant possession of Maydew House, we are committed to offering both current and former secure tenants who qualify, the option to return to the block on completion of the works.

The high costs associated with the enhanced refurbishment means that we will have to forward fund the works as there is a shortfall in the budget allocated to the three blocks in the council's 5 year housing investment programme. To make up this budget shortfall we will have to dispose of a number of properties in Maydew House, but we will only dispose of enough properties to meet the difference between the cost of the warm, dry, safe works and the enhanced refurbishment works and not the entire cost of the scheme. Works are currently programmed to start in the 2015/16 financial year, but it is anticipated that we will bring this date forward so works can begin sooner.

We are pleased to recommend the preferred option of enhanced refurbishment of all three blocks with a part retention/part disposal of Maydew House which will contribute towards the council's aspirations for a 30 year asset management plan to follow on from our commitment to make all homes Warm, Dry and Safe.

We would like to thank all those residents who have assisted us greatly in the appraisal process and the related consultation work and in particular those residents who kindly allowed us to internally survey their homes. Finally, we would also like to thank all the residents for their patience in bearing with us through what has been a very lengthy process.

We look forward to progressing the enhanced refurbishment works as quickly as possible and making each home warm, dry and safe.

## **RECOMMENDATIONS**

That the cabinet:

1. Notes the findings of the Abbeyfield Estate options appraisal, considering Maydew House, Thaxted Court and Damory House.
2. Approves the adoption of enhanced refurbishment of all 3 blocks as the preferred option, with the retention of the freehold of Maydew House and disposal of sufficient void properties in the block to bridge the funding gap between the warm, dry, safe works and enhanced refurbishment works on the estate and that these works are programmed into the housing investment programme for financial year 2013/14.
3. Notes that the works required at Maydew House cannot be carried out with residents in situ.
4. Agrees that tenants being rehoused from Maydew House as a result of the requirement for works, be offered the option to return to the block when the works are completed.
5. Agrees that officers be instructed to work out the details bringing about the Maydew House option to return to best effect, and to conduct individual consultation with households on that basis.
6. Notes the next step to acquire the remaining interests in Maydew House is for the council to instigate compulsory purchase proceedings and that a further report will be submitted to cabinet seeking approval to make a compulsory purchase order.
7. Notes that the adoption of the preferred option and the additional benefits that would be achieved requires the scheme to be dealt with as a regeneration project.
8. Agrees that officers further report to cabinet on the delivery of this option if significant matters arise that means the preferred option cannot be implemented within the resources that have been made available.

## **BACKGROUND INFORMATION**

9. The cabinet considered a report on the housing investment programme and revised strategy on 31 May 2011, in which the following six estates were identified as having high investment need: Aylesbury, Elmington, Brandon, Four Squares, Hawkstone and Abbeyfield Estates. On the basis that proposals were in place for the Aylesbury, Elmington and Brandon Estates, it was agreed that an options appraisal taking into account investment and regeneration objectives would be undertaken in consultation with residents on the remaining three estates, including Abbeyfield Estate.
10. The Abbeyfield Estate comprises of Maydew House, Damory House, Thaxted Court, Bradley House and the Bede Centre (a non residential facility), but for the purposes of the options appraisal process, Bradley House was not considered



due to its separation from the other blocks. Maydew House is a 26-storey tower block, with 24-storeys accommodating 144 residential units, Damory House is a low rise 4-storey block made up of 35 units and Thaxted Court is a low rise 4-storey block made up of 24 units. The Bede Centre is a building occupied by a community based project. All four buildings are served by a heating installation in Maydew House. An estate layout is attached at Appendix 1. Please see table 1 below for breakdown of tenure mix for the residential blocks, including the current occupancy of Maydew House.

**Table 1:**

	Tenant	Leaseholder	Temporary	Voids	Total
<b>Maydew House</b>	34	2	78	30	<b>144</b>
<b>Damory House</b>	24	11	0	0	<b>35</b>
<b>Thaxted Court</b>	16	8	0	0	<b>24</b>
<b>Total</b>	<b>74</b>	<b>21</b>	<b>78</b>	<b>30</b>	<b>203</b>

11. The cabinet decided in August 2010 to rehouse residents of Maydew House and to give further consideration to the future of the block. It was concluded that works could not be undertaken with residents in situ, which resulted in the permanent rehousing of secure tenants and buying out of leasehold interests. The rehousing from Maydew House began in September 2010. The cabinet also resolved to consider the long term future of Maydew House in full consultation with residents and to consider the possibility of the right to return for tenants.
12. The cabinet decision in August 2010 to rehouse tenants in Maydew House, also initiated the commencement of negotiations to purchase the leasehold interests. Of the original 5 leaseholders in the block, the council successfully negotiated with 3 of them and acquired their flats in November 2011. The council has continued to engage with the 2 remaining leaseholders, but negotiations have not resulted in agreement of compensation terms. As the council has been unable to purchase the remaining leasehold interests by negotiation, the only route that can now be used is through compulsory purchase. The council can exercise its powers under section 17 Housing Act 1985, which permits the acquisition of land, houses or other properties for housing and ancillary development. This power can be used to improve sub-standard or defective properties; to assemble land for housing and ancillary development; bring empty properties back into use and would therefore be applicable to Maydew House.
13. The August 2010 cabinet report also identified the physical links and impact of any potential scheme for Maydew House and its neighbouring blocks, Thaxted Court and Damory House. A feasibility study by Levitt Bernstein and a survey report by BPTW were included in the information presented in the cabinet Report.
14. Officers reported back to cabinet on 18 October 2011 on the progress made to date in carrying out the options appraisal. Cabinet noted progress and approved an updated project plan for the Abbeyfield Estate, which stated that a further report would be provided to cabinet in February 2012 on the outcome of the Abbeyfield Estate options appraisal. The October cabinet also agreed the housing investment programme for the next 5 years. This included an allocation of £11m for Maydew in 2015/16, along with an allocation of £99,472 for Damory House and £78,670 for Thaxted Court. This is to cover internal works only, mainly bathrooms and electrical wiring, identified through the boroughwide stock

condition survey.

## **KEY ISSUES FOR CONSIDERATION**

15. As outlined in the cabinet report of 18 October 2011, the council's options appraisal methodology consists of an evaluation of net present value, strategic fit and risk.
16. In order to provide the quantitative information required to feed into this evaluation regarding the range of viable investment options available for the Abbeyfield Estate, technical advisors were appointed to undertake costed building condition and land capacity surveys. A quantity surveyor was appointed to review the survey costs. These appointments were made in keeping with contract standing orders, and two residents from the Abbeyfield Estate Resident Steering Group (RSG) participated fully in the procurement exercise. Mace was appointed as the building surveyor, Feilden Clegg Bradley Studios (FCBS) as the architect and Potter Raper as the quantity surveyor.

### **Building condition survey findings**

17. The Mace team was directed to review existing information on stock condition held by the council in relation to the Abbeyfield Estate as well as carrying out their own surveys. An important element of this information concerned the findings from a 2010 Levitt Bernstein feasibility study and a 2010 BPTW report on the basis of which it was concluded that it would not be possible to undertake works to meet the Decent Homes standard at Maydew House with residents in situ, because of the amount of associated work to services and the prevalence of asbestos within dwellings.
18. The main emphasis of the new Abbeyfield Estate survey was to provide an independent assessment of the works required for each of the options. The survey assessed the current and future repairs and maintenance liability of the three blocks. The main objectives of the survey were to:
  - a) Analyse and assess the site profile from surveys and devise a sampling strategy to ensure the inspection of a representative proportion of the property stock.
  - b) Programme and resource the inspection of a representative sample of flats internally with a target sample of 10%.
  - c) Capture condition data to report on extent of works to meet both a 10-year and 30-year life cycle.
  - d) Determine compliance of the stock with Decent Home Standards and Housing Health & Safety Rating System.
19. The findings that emerged from the surveys conducted by Mace are as follows:
  - 1) Based on the internal survey of 10% of properties and 100% of the external area the blocks are in fair condition for their age and it is clear regular care and upkeep is carried out on an estate wide basis.
  - 2) Properties are generally in fair condition with ongoing minor repair needs remedied as necessary.
  - 3) No major investment has taken place recently and a significant number of major components have come to the point of requiring upgrade or complete renewal.
  - 4) Half of the properties are in non-decent condition in accordance with the

- criteria set out by the DCLG.
- 5) A number of properties have had elements replaced but still require further investment.
  - 6) In Maydew House, the internal hot water installation suffers from a number of leaks and due to the age of the system these leaks are difficult to rectify and poor condition of the pipe work necessitates replacement. The recommendation is the system should be drained down and that all elements above the floors should be replaced and buried pipe work capped and abandoned.
  - 7) Heating systems to the low-rise blocks should be replaced in conjunction with the updating of the boiler plant and consideration should be given to the replacement of all un-insulated tanks with a more modern installation.
  - 8) A review of the August 2010 Adamson's Laboratory Services (ALS) Asbestos Report was undertaken, along with their recommendation of asbestos removal. In light of other works to the building and the fact that the properties are currently being decanted, access can be gained to carry out works and in line with the council's Code of Practice on Management of Asbestos and the ALS report, Mace recommend that the asbestos removal takes place during any refurbishment works.
  - 9) An allowance should be made for the removal of asbestos during the works to update kitchens and bathrooms in the low-rise blocks.
  - 10) A high level of investment is required to either extend the life of the buildings by 10 years to meet the council's commitment to Warm, Dry, Safe to achieve the Decent Home Standards or to achieve a 30-year life.
20. The council issued the following documents to Mace for review:
- a) Asbestos Surveys
  - b) Fire Risk Assessments
  - c) Stock Condition Reports (repair schedule).
21. Based on the information provided within the above reports, specific to Maydew House, Mace concluded that any proposed works needed to deliver decency and long term objectives would result in residents being exposed to a high risk of:
- No hot water or heating for prolonged periods of time
  - Exposure to Asbestos.
22. The extent of asbestos contained in Maydew House is much higher than the low-rise blocks. Therefore, the impact on the proposed works would be much harder to manage with substantial disruption to the residents. Maydew House is considered high risk throughout and therefore works could not be carried out whilst residents are in occupation. When considering Damory House and Thaxted Court, it is considered reasonable for the works to be undertaken whilst the residents remain in occupation. This is caveated by the need to provide either temporary decanting or respite facilities for residents during some of the more disruptive operations.

### **Asbestos implications and findings**

23. Previous information concerned with asbestos in Maydew House was challenged by the residents and part of the Mace remit was to review the available information and further inform the council's understanding in relation to the necessary asbestos removal works required at Maydew House. From the final report submitted by Mace and subsequent discussions of it with the RSG, the

council is of the opinion that the levels of asbestos within Maydew House would present a health and safety problem if disturbed. The level of asbestos present also presents an ongoing liability to the council in terms of inspection and notification of works. An element of the enhanced refurbishment works involves replacing pipe work and radiators within each dwelling which would result in the disturbance of the asbestos. The council has been advised that for health and safety, speed and cost effectiveness, the asbestos removal should take place during the refurbishment works. The RSG require assurances on the extent of the asbestos and the need for removal. In the past there has been part removal of asbestos with residents in occupation as part of repair and maintenance works. The council has a responsibility to think of the practicalities and safety involved in any asbestos removal and the need to comply with asbestos handling requirements, and could not afford to jeopardise any safety aspects during removal works. Below, table 2 identifies the location of asbestos, the recommended removal method and the implications for residents.

**Table 2:**

<b>Maydew House Extent of Asbestos</b>			
<b>Location</b>	<b>Type if known</b>	<b>Removal Method</b>	<b>Resident Impact</b>
Walls (internal partitions to all rooms)	Asbestos Insulating Board (AIB) (Chrysotile)	Property sealed AIB removed and property decontaminated.	Notifiable Works*
Walls ( Party Walls)	Asbestos Cement	Property sealed Asbestos containing material removed.	Notifiable Works*
Panels above Doors	Asbestos Insulating Board (Chrysotile)	Property sealed AIB removed and property decontaminated.	Notifiable Works*
Flooring – the vinyl tiles	Chrysotile	Non licensed task - manual removal.	Short task resident can be isolated from the works.
Flooring in bitumen adhesive below Vinyl tiles	Chrysotile	Non licensed task - manual removal.	Short task resident can be isolated from the works.
Bathroom Access Panel	Chrysotile	Non licensed task - manual removal.	Short task resident can be isolated from the works.
WC Cistern	Asbestos in plastic	Non licensed task - manual removal.	Short task resident can be isolated from the works.

\* The council is obliged to notify the health and safety executive prior to carrying out notifiable works.

### **Land capacity survey findings**

24. FCBS architects were asked to identify land capacity opportunities on the Abbeyfield Estate.

25. In identifying viable redevelopment opportunities within the area, FCBS considered the following:
- Existing development within the area
  - Current use and quality of existing spaces
  - Resident feedback on both of the above.
26. All these factors were of importance because the purpose of considering development was to provide finance for the scheme to be delivered, and if necessary provide rehousing capacity.
27. FCBS carried out a site inspection and noted that unless part of the raised deck and garages beneath are removed and the Bede Centre relocated elsewhere on the estate, there is not sufficient space between the existing buildings to introduce any significant new residential element. If the Bede Centre and part of the raised deck were to be demolished, then a substantial area could be used for a residential development, and shared open space facilities. The ramp and staircase located in front of the tower could be demolished to provide additional facilities for either a landscaped car park or a purpose built community building to accommodate the Bede Centre. In addition, the first floor of the tower is currently underused and could be refurbished to provide the opportunity for the potential of a community facility.
28. FCBS designed two redevelopment opportunities for the Abbeyfield Estate which were:
- Redevelopment of the Bede Centre and part of the raised deck footprint to accommodate 2 x 5-storey apartment blocks with 20 units in each and a row of 6 x 3-storey terraced houses, and relocation of the Bede Centre to the first floor of the tower.
  - Redevelopment of the Bede Centre and part of the raised deck footprint to accommodate 2 x 5-storey apartment blocks with 20 units in each and a row of 6 x 3-storey terraced houses, and relocation of the Bede Centre to a new build facility located in front of the tower.

### **Developing the five options**

29. The Abbeyfield RSG and council officers worked together to draw up a long list of seven options. The findings of both the building surveyors and architects were combined to agree five draft options, which were discussed with the Abbeyfield RSG on 10 and 17 November 2011.
30. The draft five options were:
- Option 1: Warm, Dry and Safe works to all three blocks to the Government's Decent Homes standard and fulfill landlord obligations.
  - Option 2: Enhanced Refurbishment to all three blocks to enable works to last for 30 years.
  - Option 3: Redevelopment (2 x 5 storey apartment blocks of 20 units each and 6 x 3 storey town houses, total of 46 new homes) – Bede Centre relocated to 1st floor of Maydew House and all three blocks to receive an enhanced refurbishment.
  - Option 4: Redevelopment (2 x 5 storey apartment blocks of 20 units each

and 6 x 3 storey town houses, total of 46 new homes) – Bede Centre relocated in a new build facility in front of Maydew House and all three residential blocks to receive an enhanced refurbishment.

- Option 5: Disposal of Maydew House and Warm, Dry and Safe works to the low rise blocks.
31. The above draft options were discussed with residents of the estate at an information event on 24 November 2011. 16 residents attended: six from Maydew, six from Thaxted and four from Damory. Display boards detailing each option and a 3D scale model were made available for residents to consider. The building surveyor and architect were available to respond to questions from residents, along with council officers and the independent resident advisor. Resident feedback was collected via questionnaires which showed the majority of residents responding strongly liked Option 2, half strongly liked Option 1 and half liked Option 3. The majority of respondents felt Options 3 and 4 most dealt with their concerns, followed by Option 2 and then Option 1. Option 5 was the least favoured option.
32. Taking into account resident feedback and information made available as the building surveys progressed, the options were refined into five final options. The RSG agreed these final options on 1 December, and residents were written to and informed of the revisions and invited to an open day on 11 December, with council officers and technical advisors present to answer any questions about the revised options. Residents of all 3 blocks were invited to attend via a newsletter and posters advertising the event.
33. Options 1, 2, 4 remained the same with Options 3 & 5 revised as follows:
- Option 3: Part disposal of Maydew House with LBS retention of freehold (part private and part rent), all blocks to receive enhanced refurbishment works as outlined in Option 2.
  - Option 5: Disposal of Maydew House to a private developer or housing association, low rise blocks to receive enhanced works to last 30 years, with bathroom and kitchen replacement/renewal and a new boiler plant for each block.
34. The five final options agreed were:
- Option 1: Warm, Dry and Safe works to all three blocks to make homes meet the Government's Decent Homes standards and fulfill landlord obligations on a 10-year life cycle.
  - Option 2: Enhanced Refurbishment of all three blocks on a 30-year life cycle, to include communal works, bathroom and kitchen replacement/renewal, landscaping, garage refurbishment, heating repair/renewal, etc.
  - Option 3: Part disposal of Maydew House with LBS retention (part private / part social rent) with all three blocks receiving an enhanced refurbishment.
  - Option 4: Redevelopment (2 x 5 storey apartment blocks of 20 units each and 6 x 3 storey town houses, total of 46 new homes) – Bede Centre relocated to a new build facility in front of tower and all three blocks receive an enhanced refurbishment.
  - Option 5: Disposal of Maydew House, low rise blocks to receive enhanced works with bathroom & kitchen replacement/renewal and a new boiler plant each.

35. The enhanced refurbishment was included in options 2, 3 and 4 for the sake of uniformity. The difference from the warm, dry, safe option was more relevant for Thaxted Court and Damory House, because as stated previously, Maydew House requires a lot of work that relates to landlord obligations e.g. heating, than decent homes. The enhanced refurbishment includes an allowance for energy enhancements.
36. The 11 December 2011 open day was poorly attended with only six residents visiting: two were from Maydew, one from Thaxted and three from Damory. Display boards detailing each option were made available and council officers and RSG members were present to respond to any queries. Resident feedback was collected via a questionnaire which showed albeit based on low numbers that just under half of the residents strongly liked Option 2, half liked Option 1, and less than half liked Options 2, 3 and 4. Half of the residents felt Option 2 dealt with their concerns, with just under half scoring Options 1 and 3 as dealing with their concerns. Option 5 was the least favoured option.

### **The preferred option**

37. The options appraisal consultation process was run in parallel with the undertaking of the building condition and land capacity surveys and the cost analysis of works identified as necessary to the Abbeyfield Estate blocks. These processes were run in parallel in order to enable a decision to be made about the Abbeyfield Estate at cabinet by March 2012.
38. A major implication that arose from previous surveys and the most recent survey undertaken by Mace was a reinforcement of the belief that due to health and safety reasons, timescale, costs and practicality, the works required to Maydew House should not be undertaken with residents in situ. The further recommendation to replace the existing heating/hot water system, with provision of a temporary system for the low-rise blocks until such time that the new system is up and running, would increase the costs significantly.
39. The requirement to develop options three to five arose from the potential need to explore investment opportunities for the estate should it emerge that refurbishment could not be achieved within the council's available resources.
40. For the purposes of completeness, the five options that were consulted on with residents were run through the council's options appraisal model against the criteria of strategic fit, net present value (NPV) and risk.

### **Strategic fit**

41. Under the modelling, strategic fit is scored from 1 – 10, with 1 being no fit and 10 an excellent fit. Each option is scored against the elements listed below and the overall scores are then ranked with a rating between 1 – 5, with 1 being the best fit and 5 the worst fit.
  - Working with communities to come up with innovative solutions to local issues
  - Creating a fairer borough
  - Making Southwark a place to be proud of
  - Realising potential

- Transforming public services.

### **Net Present Value (NPV)**

42. Under the modelling, the elements listed below are input against each option and the overall costs totalled and ranked with a rating between 1 – 5, with 1 being the lowest cost and 5 the highest cost.

- Capital costs
- Lifecycle costs
- Revenue costs
- Capital receipts
- Income revenue.

### **Risk**

43. Under the modelling, unmitigated and mitigated risk is scored from 1 – 10, with 1 being the lowest risk and 10 the highest. Each option is scored against the elements listed below and the overall scores are then ranked with a rating between 1 – 5, with 1 being the lowest risk and 5 the highest risk.

- Operational
- Staffing and culture
- Legal
- Reputational
- Financial and economic.

44. Assessment of the NPV was based on costings for all options provided to the council by the quantity surveyor and the anticipated land/disposal values provided by a council valuer for options three, four and five. The architects supplied information to inform the valuations, along with advice received from the council's planning policy and development management teams and the following was assumed:

- All new homes were compliant with Southwark's Residential Design Standards.
- Each option was compliant with the core strategy with 60% of the homes providing 2+ bedrooms and 20% of the homes providing 3+ bedrooms.
- In accordance with the core strategy, 35% of the homes were affordable, with 70% of intermediate tenure and 30% social rented.
- All new social rented homes were set at a target rent.

45. The projected land value implications of options three, four and five were calculated on the assumption of:

- Option 3 - private and affordable housing will be pepper potted in Maydew House (due to the policy of tenants having options to return), in line with Council planning policy of encouraging mixed and balanced communities.
- Option 3 - the private units will be finished to a typical market housing specification including electrical appliances, in order to assist marketability and to maximise the capital receipts.
- Option 4 - the private and affordable housing will be likewise mixed in the redevelopment.
- Option 4 - the site will be demolished by the purchaser and the council will



meet the cost of relocating the Bede centre.

- Option 5 - it is assumed that all options for Maydew House including disposal of the block for refurbishment, will require a planning application for works affecting the appearance, but not that gives rise to an affordable housing provision.
- There will be no affordable housing grant available for any of the development options.
- The development potential proposed within the various options is acceptable both in planning policy and development management terms.
- For the purposes of these valuations future community infrastructure levy (CIL) payments have not been included as these are not currently payable but they will be in the near future. Such payment liability may reduce the useable receipts.

The land/disposal values for the options are as follows:

- Option 3: £16.5m
- Option 4: £1m
- Option 5: £16m

46. Based on the figures run through the appraisal model, the resulting implications of the above assumptions indicate that Option 5 would be the most cost effective option, but the least favourable option with residents and carry the highest risk; Option 3 would be the most feasible option in terms of the cost of works offset against the capital receipt and a favourable option with residents; Option 4 would be the least cost effective option due to the cost of works, which include relocation of the Bede Centre, offset against a low capital receipt. It should be noted that the costs run through the model had no contingency included; this was to avoid skewing the results as the model has its own contingency formula. Therefore, the projected total costs to the council associated with each option are shown in table 3 below.

**Table 3:**

Option	Option Outline	Initial Capital Costs £	Additional costs for next 30 years £	Total costs over 30 year life £
1	Warm, Dry and Safe	8,104,673	8,397,402	16,502,075
2	Enhanced Refurbishment	14,000,230	7,002,132	21,002,363
3	Enhanced refurbishment with a Maydew House part retention/part disposal	15,247,899	5,006,321	20,254,220
4	Enhanced refurbishment and redevelopment of the Bede Centre	22,447,207	7,002,132	29,449,340
5	Enhanced refurbishment and disposal of Maydew House	1,762,281	2,815,032	4,577,313

47. The strategic fit and risks associated with each option were scored by five

council officers from estate regeneration, property and housing services. The options that involved land sale/disposal had a higher risk factor due to current market climate. The option that scored best on strategic fit was the redevelopment option due to the provision of additional affordable homes. Although the NPV calculation considered value for money criteria, the resources available to the council also had bearing on both the risk and strategic fit analysis.

48. Following the appraisal of the five options, option 3 - enhanced refurbishment with a Maydew House retention of 51% social rented and disposal of 49% private sale emerged as the preferred option. The ranking of the options is shown in table 4 below.

**Table 4:**

	Ranking (the lower the better)			Overall Total
	NPV	Strategic Fit	Risk	
<b>Option 1:</b> Warm, Dry and Safe	3	4	1	<b>8</b>
<b>Option 2:</b> Enhanced Refurbishment	4	2	2	<b>8</b>
<b>Option 3:</b> Enhanced refurbishment and Maydew House part retention/part disposal	2	3	3	<b>8</b>
<b>Option 4:</b> Enhanced refurbishment and Redevelopment of Bede Centre	5	1	4	<b>10</b>
<b>Option 5:</b> Enhanced refurbishment and disposal of Maydew House	1	5	5	<b>11</b>

49. Overall options 1, 2 and 3 ranked equally, with a total score of 8. Option 3 scored well on NPV and was average on strategic fit and risk. Option 1 received the same score as option 3, scoring very well on risk, average on NPV, but low on strategic fit. Option 2 also received the same score as options 1 and 3, scoring well on strategic fit and risk but low on NPV. Analysis of the individual scores against the set criteria has identified option 3 as the slightly preferable option.
50. The exercise also took into account feedback from residents at the consultation events and questionnaires/surveys completed and received, which is summarised below:
- Support for an enhanced refurbishment
  - A strong desire to remain council residents
  - A strong desire for an option to return for Maydew House tenants
  - An understanding that funds had to be raised to cover the costs of works and the most favoured option to raise the funds was a part disposal of Maydew House
  - Concern amongst leaseholders at Thaxted Court and Damory House on the costs for each option
  - No substantial concerns from residents regarding high levels of crime/anti social behaviour or availability of local services
  - There was a strong sense that the remaining residents in Maydew House

and residents of the low-rise blocks want to remain in their homes and not go through the rehousing process

- Maydew residents understood that the 2010 cabinet decision to rehouse them still stands. They have a strong desire to remain in the area and be offered the option to return.
- A good level of satisfaction that something finally seems to be happening with regards to the future of the estate.

51. Residents' views have also been taken into account within the option appraisal assessment criteria.

### **Strategic fit**

52. Option 1 - Warm, Dry and Safe scored well in terms of resident priorities but its low overall strategic fit ranking is accounted for by its limited focus in relation to long-term boroughwide priorities, that are assessed as part of the strategic fit scoring, against which the longer term and broader ranging options scored better. Option 2 – enhanced refurbishment - scored well in terms of resident priorities and aspirations and also took into account future proofing. Option 4 – redevelopment - achieved the highest strategic fit score based on the provision of additional homes and the programme of enhanced works to all blocks, which includes elements of future proofing. Equally option 4 was well received by residents in meeting their priorities. Option 5 – Maydew disposal - scored low on strategic fit due to the loss of a large number of social rented homes.

### **Risk**

53. Both Options 1 and 2 scored well on risk due to the nature of the works and the lack of redevelopment and land sale/disposal. The latter elements as shown in Options 4 & 5 scored high on risk due to market uncertainty.

### **NPV**

54. Option 5 scored the best on NPV due to the low costs associated with the works in removing Maydew House from the programme and the generation of a capital receipt. Options 1 and 2 did not score as well due to the high costs of the works, the impact on council resources to fund the works and a lack of any capital receipt. Option 4 scored the worst due to the significantly higher costs involved in relocating the Bede Centre and the low capital receipt.

55. In determining a preferred option to recommend to cabinet for the Abbeyfield Estate, the following factors need to be taken into consideration:

- a. The findings of the building surveys undertaken by Mace
- b. The findings of the land capacity study undertaken by FCBS
- c. The current rehousing programme underway for residents in Maydew House
- d. The relative position of the Abbeyfield Estate in the council's five year housing investment programme
- e. The council's approach to a 30-year asset management plan
- f. The views of residents expressed through the consultation process
- g. The outcome of the options appraisal modelling
- h. The resources available in the 5 year investment programme for the estate.

56. Taking into consideration the factors listed above, option 3 (enhanced

refurbishment with part retention/part disposal of Maydew House) has emerged as the preferred option for the Abbeyfield Estate. Provision has been made within the housing investment programme for investment in financial year 2013/14. The implications for the HIP are summarised in paragraph 96 – 99 'Investment Implications'.

57. The cost ranges shown in paragraph 46, table 3 are estimates produced for the purposes of the option appraisal and will need to be firmed up once the contract requirements have been developed and the specification has been agreed.
58. The proportion of void disposals modelled in option 3 - 49% - equates to 71 flats in Maydew House. These properties are currently held as housing in the housing revenue account. A surplus declaration for the disposal of these units will be required from the strategic director of housing services prior to disposal. In the recommended approach arising from option 3, it is proposed that disposals are undertaken to maximise the value obtained for each and therefore to dispose of only sufficient properties to meet the cost of enhanced refurbishment on the estate. The 49% proportion (71 flats) should be regarded as an upper limit. Flats will be sold as leasehold properties with the council retaining the freehold.
59. Abbeyfield Estate tenants and leaseholders received information packs on 15 February 2012 informing them of the preferred option that would be recommended to cabinet. A copy of the material provided to residents, including a summary of the items included within the enhanced refurbishment programme, appears at Appendix 2. The implications of the preferred option were set out and residents were asked to complete a survey outlining their responses to the option and stating to what extent it met their priorities and aspirations.
60. To ensure leaseholders were fully aware of the costs of option three, the scope of works identified for the enhanced refurbishment was reviewed by council officers in the homeownership service to arrive at outline estimates for leaseholder charges arising from the works. These costs were listed in the information packs referred to in paragraph 59 and were clearly labelled as budget estimates that could change once the actual works were specified and costed in preparation for carrying out the works. Leaseholders were informed that further consultation would be carried out before they were issued with a final charge.
61. The estimates provided to leaseholders were set out in a range across bed size and option. The estimates showed the relationship between upfront capital costs and the subsequent cost of cyclical maintenance over a 30-year period, assuming works occur every 10 years.
62. Council officers presented the preferred option appraisal findings to the RSG on 19 January 2012, with a view to writing to all residents on 27 January 2012. The RSG requested time to consider the information provided as a result of the appraisal and a meeting to discuss the preferred option and its implications was arranged for 6 February 2012.
63. Following the meeting on 6 February 2012, the RSG agreed to support the recommendation of the preferred option to cabinet, subject to the caveats as set out in the Abbeyfield Residents Manifesto detailed in paragraph 75, table 8.
64. As part of the estate wide preferred option consultation, all residents received a preferred option information pack and survey to complete. An estate-wide drop in

session took place on 21 February 2012 to explain the preferred option in more detail to residents and answer any queries they may have.

### Rehousing implications

65. In considering the possibility of Maydew House tenants returning to the block, the following points should be considered:
- That by the end of the process, 94 tenants will have been rehoused from Maydew House. The number of tenants expressing interest in returning would impact on a part retention / part disposal strategy.
  - There would be difficulty in making a guaranteed right to return available to tenants as outlined below. However, a part retention / part disposal strategy, if adopted, should be based on making the option to return available for all tenants who qualify and who wish to take it up subject to the availability of properties.
  - All the units within Maydew House are 2-bedroom properties; it would not be in the council's interests to allow all previous tenants to return if they need a larger bed size, even if they express interest in returning.
  - Some of the Maydew House tenants only qualify for a 1-bed property based on their household size; therefore consideration needs to be given as to whether or not those tenants would be given the option to return to a property that is above their bed size need. Whilst giving the option to return to tenants with a 1-bed need would meet resident aspirations, it is not the best use of the council's limited stock. Taking into account the housing need within the borough, any 2-bed units at Maydew House could be used to meet other high priority requirements, e.g. tenants being rehoused from other regeneration schemes, under occupiers, etc.
  - The supply of new properties for social rent being completed by housing associations in the borough is projected to reduce in 2013/14 below the levels achieved in preceding years, partly as a result of the development downturn and the grant funding arrangements.
66. The Abbeyfield RSG has specifically requested that the council should make a right to return available for tenants of Maydew House. It is not possible for the council to offer a right to return because too many circumstances pertaining to it are outside the council's control. It is proposed that an option to return should be offered. At this stage in a relatively complex scheme, it is not possible to predict every eventuality, but the option return to Maydew should be made available unless, for example, the court has made a possession order against a tenant, or where a household's housing needs have changed since they were rehoused and the properties at Maydew no longer meet those needs. In the latter instance, it is proposed that no households of 3 bed need or above should be allowed to return to Maydew House, where all the properties have two bedrooms only. As has been stated above, the number of households who can return is limited to the number of properties available for reletting. If this eventuality occurred, criteria would need to be agreed for the prioritisation of households in accordance with lettings policy.
67. It is proposed that the option to return should not be indefinite, but should be time limited to the period of reletting upon completion of works.
68. On the basis of experience in previous regeneration schemes, the working assumption is that 50% of rehoused Maydew House tenants would be interested

in returning to the block. This percentage will be reviewed once all previous and current Maydew House tenants have been individually consulted. The council will take the following action in relation to the option to return process:

- All Maydew House secure tenants and those rehoused from the block since August 2010 will be offered the opportunity to express an interest in returning to the block if they wish to.
- Once programme timelines have been agreed, ex tenants who expressed an interest to return will be updated on scheme progress and will be contacted as part of the residents' choice of flat and fixtures, fittings and finishes.
- When the refurbishment works are nearing completion, ex tenants who expressed an interest to return will be contacted to update their wishes and circumstances. Where household circumstances have changed, the option to return may still be possible under lettings policy, but it is not proposed that a household who have a larger bed need than can be accommodated at Maydew House would be made an offer in the block.
- Formal offers to return will be made in line with the anticipated completion of works. Eligible rehoused Maydew House tenants who have expressed an interest in returning have first priority for the available properties.
- Where ex tenants decide not to exercise the option to return those units will be placed in Homesearch.
- Where ex tenants have expressed an interest in returning and then change their minds when the offer is made, those units will also be placed in Homesearch.
- The implications of the option to return for Maydew House if adopted, will need to be taken into account as part of the current review of the lettings policy.

### **Resident consultation**

69. The Abbeyfield Estate Tenants and Residents Association (TRA) was approached by the council in June 2011 to form a Resident Steering Group (RSG) to work with officers through the options appraisal process. Following this initial meeting, a letter was sent out to all residents at the end of June 2011 outlining the reasons for the options appraisal and inviting them to join the group. Council officers worked with the Abbeyfield RSG as a consultative body, that fed back to the Abbeyfield TRA throughout the options appraisal process, rather than constituting a formal subgroup of the TRA.
70. The RSG is made up of 5 regularly attending resident members. Two are Maydew House tenants, one is a Damory House tenant and two are Thaxted Court leaseholders. The Chair and Vice Chair are both Maydew House tenants. Open Communities was appointed as Independent Resident Advisor in August 2011, their role was to provide independent advice to the RSG, attend all RSG meetings and meet with the RSG independently of the council.
71. Abbeyfield Estate residents have been informed and engaged throughout the options appraisal process as follows:
- Regular meetings with the Abbeyfield Estate RSG.
  - Feedback to the TRA via the RSG Vice Chair.
  - The council has facilitated 11 meetings with the RSG from June 2011 to present and these meetings will continue until the conclusion of the options

appraisal.

- The council has facilitated four estate-wide consultation events between November 2011 and February 2012.
- June 2011: Letter to all residents outlining the reasons for the options appraisal and inviting participation in the resident steering group.
- Oct 2011: Initial options appraisal resident survey to gauge residents' views and aspirations for the estate.
- Nov 2011: Letter advising of architect and building surveyor appointment.
- Nov 2011: Newsletter update on progress and invitation to residents to participate in internal surveys.
- Nov 2011: Open event to update residents on the options appraisal process and enable resident feedback. 100 newsletters were sent out inviting residents to attend and notices were put up across the estate: 20 residents attended.
- Nov 2011: Open event for residents to hear about the draft five options, meet the technical advisors and the RSG and to enable resident feedback. 100 newsletters were sent out and notices were put up across the estate: 16 residents attended.
- Dec 2011: Newsletter update and provision of feedback analysis from November event and invitation to attend a drop in session.
- Dec 2011: Drop in session to update on the final five options to be appraised, and to explain the reasons for proposed amendments to Options 3 and 5. On this occasion, although again 100 newsletters were sent out and notices were put up across the estate, only 6 residents attended.
- Jan 2012: RSG meeting with resident observers present to discuss the options appraisal findings.
- Feb 2012: RSG meeting to confirm the preferred option to recommend to Cabinet on 20th March.
- Feb 2012: Letter and information pack to all residents confirming the preferred option to be recommended to cabinet, along with a preferred option survey for completion and notification of a drop in session.
- Feb 2012: Drop in session on the preferred option and implications for residents. 153 letters and information packs were sent out and notices were put up across the estate: 22 residents attended.
- Mar 2012: Site inspection with building surveyor, service engineer, council officers and RSG Members for clarification of the recommended services/asbestos works.
- Mar 2012: RSG meeting to discuss cabinet report.

72. It was agreed with the Abbeyfield RSG that the following consultation process would be undertaken:

- a. An estate-wide survey to ascertain resident aspirations based on the estate being identified as of high investment need. The survey findings were reported in the October 2011 cabinet report.
- b. An estate-wide information event to introduce the options appraisal process, the draft five options and the technical advisors who would be undertaking the necessary studies. 16 residents attended, of which, 12 provided feedback.
- c. An estate-wide information event to consult on the final five options to be appraised, six residents attended and provided feedback.
- d. An estate-wide survey setting out the preferred option for the future of the estate, its implications and asking residents whether they were/were not in favour and the reasons behind their response. Survey data is attached as

Appendix 3.

- e. An estate-wide information event to inform residents of the preferred option, and answer any queries they may have. Officers from the homeownership service were also invited to the event to deal with leaseholder queries.

73. On the 15 February, Abbeyfield Estate residents were provided with an information pack detailing the outcome of the preferred option and the implications of the option. The pack included a preferred option survey to complete and return and an invitation to a drop in session on Thursday 21 February to discuss the preferred option in more detail with council officers who would be present.

Of the 153 surveys sent out, 58 were sent to former Maydew House secure tenants. In total, 27 residents responded, representing a response rate of 17 per cent. The breakdown by block is shown in the table 5 below:

**Table 5:**

Block	Tenant	Leaseholder	Total
Maydew House	10	1	11
Ex Maydew House	4	0	4
Thaxted Court	2	1	3
Damory House	7	2	9
<b>Total</b>	<b>23</b>	<b>4</b>	<b>27</b>

The response rate from leaseholders was poor with only 2% responding to the consultation; 15% of tenants responded to the consultation.

As part of the consultation, residents were asked a number of questions and the data analysis of the survey can be seen at Appendix 3. The two main questions that were asked as part of the consultation are listed below along with the response rate and breakdown.

Residents were asked if they were happy with the preferred option, the responses were as follows:

**Table 6:**

Block	Tenure	Yes	No	Blank	Total
Maydew House	Tenant	6	2	2	10
	Leaseholder	1	0	0	1
	<b>Subtotal</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>11</b>
Ex Maydew House	Tenant	4	0	0	4
	<b>Subtotal</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>
Thaxted Court	Tenant	2	0	0	2
	Leaseholder	0	1	0	1
	<b>Subtotal</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>3</b>
Damory House	Tenant	5	1	1	7
	Leaseholder	1	1	0	2
	<b>Subtotal</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>8</b>
<b>Total</b>		<b>19</b>	<b>5</b>	<b>3</b>	<b>27</b>

Residents were asked if the option including the works that were most important to them, the responses were as follows:



**Table 7:**

Block	Tenure	Yes	No	Blank	Total
Maydew House	Tenant	8	1	1	10
	Leaseholder	0	1	0	1
	<b>Subtotal</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>11</b>
Ex Maydew House	Tenant	1	1	2	4
	<b>Subtotal</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4</b>
Thaxted Court	Tenant	2	0	0	2
	Leaseholder	0	1	0	1
	<b>Subtotal</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>3</b>
Damory House	Tenant	6	0	1	7
	Leaseholder	1	1	0	2
	<b>Subtotal</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>9</b>
	<b>Total</b>	<b>18</b>	<b>5</b>	<b>4</b>	<b>27</b>

Overall, although the number of questionnaires analysed is small, the majority of respondents were happy with the preferred option and feel it will provide them with the works to their homes that they find most important.

74. Once the recommended scheme has been agreed, consultation on the delivery of the scheme will be undertaken through the Putting Residents First protocol. This 27 point plan has been developed in consultation with a number of groups and provides a template for officers, contractors and consultants that set out very clearly in stages how from inception to completion we and our partners will work with residents to deliver major works to their homes.
75. Following the RSG meeting on the preferred option, the members presented the council with a manifesto. The RSG's manifesto requirements are set out table 8 below, together with the council's response and any further actions required.

**Table 8:**

<b>Abbeyfield Residents Manifesto</b>	
The Abbeyfield Residents Steering Group (RSG) is considering options proposed by the council as part of the option appraisal process. Options 2 and 3 are under active consideration. Before deciding whether to support either of the options, the RSG needs agreement from the council on specific issues of importance to tenants and leaseholders, to be reflected in the cabinet report on the options appraisal.	
<b>Residents Requirements</b>	<b>Draft council response used for consultation and matters arising</b>
1 The suggestion is that both Option 2 and Option 3 will require residents to move out of Maydew House for the works to take place. Residents in Thaxted and Damory can stay in occupation during the works. Existing Maydew tenants need a guaranteed <b>'Right to Return'</b> to their home in Maydew House before considering either Option 2 or 3.	<p><i>The RSG have asked for an example 'option to return' letter so they can review the wording and caveats set out by the Council. They are seeking reassurance that the document is binding and that if a right to return cannot be offered, that the option to return is equivalent in effect.</i></p> <p>LBS Response: It is proposed to enable tenants to return to Maydew by a specific decision of the Cabinet. We will set out the circumstances in which the option to return may not be possible in the cabinet report (paragraphs 65-68); the option itself will be</p>

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<b>Residents Requirements</b>	<b>Draft council response used for consultation and matters arising</b>
	in the tenant's hands.
2	<p>There is concern across the estate about the scope and standard of works to the blocks. Thaxted and Damory tenants and leaseholders, and Maydew tenants and ex tenants who have expressed an interest in returning to Maydew House, need to have input into the specification of works to common parts and within the estate, to each block and options for works inside homes, and contract management. The Abbeyfield RSG has been involved with the Option Appraisal Process for 8 months, and has a good understanding of the issues and works needed. This group should continue to provide resident input until the works are completed.</p> <p>LBS Response: A Resident Project Group would be established. RSG members would be welcome to nominate themselves to sit on this group. The group would have a different composition from the current RSG group with both tenants and leaseholders from Damory and Thaxted being invited to join. This group would act as a consultative body during the programme of works and would meet regularly with the council's Project Lead and contractor.</p> <p><b>The RSG were satisfied with the above explanation.</b></p>
3	<p>The Abbeyfield RSG selected architects and surveyors from a framework contract for the option appraisal process. The RSG must be involved in selecting the contractor to carry out the works.</p> <p>LBS Response: This will not be possible as the contractor for the works has already been appointed from the partnering framework and it is envisaged that no new procurement would take place. If for any reason a new procurement is deemed appropriate, residents representatives will be invited to participate.</p> <p><b>The RSG asked for information on the partnering contractor and the reserves. This has been provided.</b></p>
4	<p>Eco works to reduce energy use, or generate electricity, to be used to reduce bills and service charges for tenants and leaseholders on Abbeyfield, rather than borough wide</p> <p>LBS Response: This would be counter to the current borough wide policy of pooling charges for tenants. An allowance of £250k was made for energy enhancement works in the cost estimates, and there are prospects of connection to the SELCHP network.</p> <p><i>The RSG asked for an update on SELCHP and the effect on heating and hot water service charges for tenants and leaseholders at the next meeting.</i></p> <p>Follow up LBS response: The initial agreement should be concluded with the supplier in March, with a view to Cabinet approval to the contract in May, contracts signed in June and construction start on</p>

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<b>Residents Requirements</b>	<b>Draft council response used for consultation and matters arising</b>
	the pipe network soon afterwards. On this timescale, the network should be operational in late 2014. This would enable the parallel works to be undertaken on the estate in conjunction. The works are likely to include relocating the boiler house from the roof of Maydew to the ground level because it will become the responsibility of the SELCHP supplier.
5	<p>Compensation for the disruption caused by a year and half of works to these blocks and Maydew.</p> <p>LBS Response: The council cannot undertake to pay compensation to residents of Thaxted Court and Damory House on a conditional basis.</p> <p><b>The RSG were satisfied with the above explanation.</b></p>
6	<p>Income from homes for sale used to partially reduce Leasehold Service Charge cost or a cap on the maximum major works service charge to be paid by leaseholders in Thaxted and Damory.</p> <p>LBS Response: This would be counter to the current borough wide policy on service charges and would represent different treatment from leaseholders living in other properties where major works are being undertaken.</p> <p><b>The RSG were satisfied with the above explanation.</b></p>
7	<p>Rents and service charges for Social Rented Housing must remain the same as they are now, for Thaxted, Damory and Maydew tenants, subject to normal annual rent increases.</p> <p>LBS Response: This will be the case for Thaxted and Damory tenants; further consideration is necessary for Maydew.</p> <p><i>The RSG require more investigation. From April, Southwark will have more authority on setting rents and therefore could choose not to revalue the block and increase the rents. It was also felt that as the works programme was the same for all blocks, and that low-rise residents could remain in situ and not have to suffer the disruption of being rehoused, it seemed unfair that Maydew residents have a rent increase on their return to the block.</i></p> <p>Follow up LBS response: If a valuation increase is applied, it cannot be beyond the formula rent, which is the maximum social rent that can be applied. The formula rent for a Maydew property will be £93.08 from April 2012. Rent increases would be 39p for valuation uplift of £1000 per property.</p>

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<b>Residents Requirements</b>	<b>Draft council response used for consultation and matters arising</b>	
8	Tenants to have a choice of decorations throughout the homes (including the option of no decoration), along with internal fixtures and fittings in kitchens and bathroom, including floor coverings, taps, sinks, tiles, kitchen units and kitchen layout.	<p>LBS Response: The selection would be agreed with the resident project group. If there are options and we know the tenant who will be returning to the flat then wherever possible we will try and accommodate this.</p> <p><i>As part of the works programme, the contractor will provide a range of samples for choices to be made, i.e. kitchen units, handles, work tops, flooring, paint colour, etc. The RSG asked for examples of the sample choices.</i></p> <p>Follow up LBS Response: As part of the works programme, a Resident Project Group will be set up and that group will be presented with the options for choice. Generally 5-6 options are offered.</p>
9	<p>A 'Right to Return' on completion of the works, for all tenants who move from Maydew House after the March 2012 cabinet Meeting.</p> <p>Returning tenants to have the choice of which flat they want to return to in Maydew House.</p>	<p>LBS Response: An option to return would be given to all Maydew House tenants and returning tenants could request particular properties from the list of vacant flats available.</p> <p><b>The RSG understood some units may be ringfenced for private sale and therefore would not be available for choice.</b></p>
10	Tenants returning to the same flat to have the choice of what existing fittings are retained, subject to the need to do essential works.	<p>LBS Response: This is not possible as building will be gutted due to nature of works so all existing fittings will be stripped out.</p> <p><b>The RSG were satisfied with the above explanation.</b></p>
11	Returning tenants to have secure council tenancies on the same terms as they have now.	<p>LBS Response: All returning tenants would have a secure tenancy as currently.</p> <p><i>The RSG requested clarification on why returning tenants could not be issued with a licence for a temporary rehousing move instead of a secure tenancy.</i></p> <p>Follow up LBS Response: A licence would not be issued to a secure tenant as it gives them less security in the property they move to.</p>

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<b>Residents Requirements</b>	<b>Draft council response used for consultation and matters arising</b>
12	<p>Under occupying tenants opting for one permanent move to be eligible for one bedroom above the size defined in their housing need.</p> <p>LBS Response: This is not in line with Southwark's allocations policy nor was it agreed as part of the Maydew House rehousing policy.</p> <p><b>The RSG were satisfied with the above explanation.</b></p>
13	<p>Tenants to get Home Loss and Disturbance Allowance when they move out of Maydew House, and Disturbance Allowance when they return to Maydew House.</p> <p>LBS Response: All Maydew House tenants would receive home loss and disturbance when moving out and a <b>removal allowance</b> on their return to Maydew House.</p> <p><b>The RSG were satisfied with the above explanation.</b></p>
14	<p>The cost of storage for Tenants moving temporarily from Maydew House to be paid by the Council during their stay in the temporary home.</p> <p>LBS Response: The council will not be providing or paying for temporary storage due to the length of the works programme.</p> <p><i>The RSG were satisfied with the above explanation but queried if the Council would pay for garage storage for those tenants currently making use of a garage.</i></p> <p>Follow up LBS Response: The Council will source an alternative garage storage facility for any tenant who requires it, subject to availability. Tenants will be charged the weekly garage rental rate.</p>
15	<p>The 'Option to Return' on completion of the works to Maydew House for all tenants who have been decanted from Maydew House since the cabinet decision on 9 August 2010.</p> <p>LBS Response: The option to return would be given to all eligible Maydew House tenants who have been rehoused. Those who had a higher bedsize need would not be eligible to return.</p> <p>Follow up LBS Response: Circumstances in which the option to return may not be possible are set out in paragraphs 65 – 68.</p>
16	<p>Refurbished social rented homes in Maydew House to be available in the following priority order,</p> <ul style="list-style-type: none"> <li>• to returning Maydew tenants</li> <li>• overcrowded or under occupying residents in Thaxted Court and Damory House</li> <li>• people bidding through</li> </ul> <p>LBS Response: The refurbished homes would be first offered to option to return tenants. Any remaining would be placed in Homesearch. If Thaxted or Damory residents are in housing need, they will be able to bid for a home via Homesearch.</p> <p><b>The RSG were satisfied with the above</b></p>

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	<b>Residents Requirements</b>	<b>Draft council response used for consultation and matters arising</b>
	Homesearch.	<b>explanation.</b>
17	Decanted tenants, who have expressed interest in the returning to Maydew House, to get a quarterly update on progress from the Council, and be invited to regular site meetings with the Council and the contractor.	<p>LBS Response: It is possible to provide update reports to those residents who wish to return, it is not possible to invite them all to site meetings. A resident representative from the RPG will be invited to site meetings as and when necessary. The RPG will have regular meetings with the Project Lead, where the contractor will be present.</p> <p><b>The RSG were satisfied with the above explanation.</b></p>
18	A single entrance and access to Maydew House for social housing tenants and leaseholders.	<p>LBS Response: This is proposed.</p> <p><b>The RSG were satisfied with the above explanation.</b></p>
19	Leaseholders and secure council tenants to be pepper potted through the refurbished building.	<p>LBS Response: Yes, this is proposed although the council is considering the value of properties on the top floors of the building and assessing if these would generate a higher capital receipt.</p> <p><i>The RSG requested the Council provide an example of the difference in sale value between a flat on the top floor and a flat on a lower floor to evidence that the sales on the top floor would generate a higher receipt.</i></p> <p>Follow up LBS Response: The values used in the modelling were not worked out on a floor by floor basis but on an average value per square metre based on market evidence and complementary data from other estates. The values would be suppressed based on pepper potting, council retaining the freehold and size of units. Further detailed work will be done re projected values as the scheme is worked up.</p>
20	Tenants in Maydew House to get the same specification of internal finishes and fittings as the homes for sale, excluding the white goods and kitchen equipment.	<p>LBS Response: The council will do works to the private sale flats which will work out as VFM in terms of sales, and we cannot promise these works to tenants. We need to take repairing obligations into consideration with the social rented units, which we do not need to consider with the</p>

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<b>Residents Requirements</b>	<b>Draft council response used for consultation and matters arising</b>
	private sale units and their fixtures and fittings.  <b>The RSG were satisfied with the above explanation.</b>

### Policy implications

76. An enhanced refurbishment to the Abbeyfield Estate will contribute towards meeting the council's objective of ensuring all homes are warm, dry and safe and will also be in keeping with the council's aspiration to develop a 30-year asset management plan. Further, the combination of refurbishment, environmental works and mixed tenure accommodation will enable regeneration to be delivered to the area.

### Community impact statement

77. Based on the outcome of the impact assessment carried out in relation to the housing investment programme in 2011, it is envisaged that investment in the council's housing stock generally will have a positive impact on all groups residing in these properties through the delivery of warm, dry and safe homes regardless of age, disability, faith/religion, gender, race and ethnicity and sexual orientation.
78. The overall effect of the programme of works will promote equal treatment by ensuring tenants across all blocks receive the same standard of works and ensure that some of the most disadvantaged groups living in the council's properties have homes that are warm, dry and safe. This will also impact on the wider community by addressing some of the imbalance in living conditions in the borough.
79. By refurbishing the homes to an enhanced refurbishment standard residents will benefit from improved thermal insulation as a result of the over cladding of their blocks. They will also benefit from kitchen and bathroom renewal/replacement where the worst cases of internal disrepair will be addressed. Externally, all residents will benefit from improved access ways, landscaping, garage refurbishment and car parking. From a health and safety perspective residents of Maydew House will benefit from the removal of asbestos and the replacement of a heating system that has been systematically failing over a long period of time. Overall, all homes will be made warm, dry and safe which will benefit all residents, and adopting the enhanced approach reduces investment requirements and consequent disruption to residents in future years.
80. The need to generate resources for investment should be generated by the disposal of void properties on the estate. This will reduce the number of properties available for future lettings.

81. Residents of the low-rise blocks are keen not to have to leave their homes and the assumption is that 50% of Maydew House residents would like the option to return to their homes on completion of the works. There is a strong sense of community on the estate that residents are keen to uphold and continue. Overall, residents are satisfied that the estate will receive an enhanced refurbishment programme of works that will benefit both their internal and external environment. Ideally, Maydew House residents would prefer to remain in situ whilst works are undertaken, but this is not feasible due to health and safety issues. The suggested approach however offers choice, by making the option to return available for qualifying households but also allowing them to remain in the property they are rehoused to from Maydew House.
82. Leaseholders of the low-rise blocks will be financially affected by the enhanced refurbishment as outlined in table 8, but will benefit from the works as outlined in paragraph 79.

### **Recommended approach**

83. The Abbeyfield Estate was initially identified as a high investment need estate in terms of meeting the warm, dry and safe standard mainly due to the level of investment required for Maydew House in relation to heating renewal and the consequent asbestos removal works. The options appraisal took into account the conclusions and recommendations of the recent surveys and focused on five options ranging from the basic standard of warm, dry and safe works to disposal and redevelopment.
84. The options appraisal that was undertaken on the five final options identified option three, enhanced refurbishment with a part retention/part disposal of Maydew House as being the preferred option as it offers the best overall fit with the council's strategic priorities, offers the best value for money and does not pose any unmanageable risks to residents or to the council. However, it is clear that the scale of the investment need for the estate is a significant challenge irrespective of the option adopted.
85. Taking into account the Net Present Value (NPV), Strategic Fit and Risk (see table 3), Option 3 – enhanced refurbishment with a part retention/part disposal of Maydew House is recommended. The estimated cost of this option is £20,254,220 which would need to be forward funded from the housing investment programme and off set in part against capital receipts generated from disposal. Option 1 - although scoring a better NPV, had lower overall ratings and did not meet resident aspirations. Option 2 - scored well on both strategic fit and risk, but poorly on NPV due to no capital receipt. Option 4 - did not score well on the NPV, although scored best on the strategic fit element. While option 5 scored the best on NPV, it presented the highest risk due to land value and possible delays in the disposal timeline. Although the NPV calculation considered value for money criteria, the resources available to the council also had bearing on the risk analysis.
86. It is therefore recommended that a scheme of enhanced refurbishment is undertaken to all three blocks, with a proportion of the voids in Maydew House being disposed of on the open market to reimburse the difference between the estimated costs of the works in option 1 and option 3. Based on current projections, it is felt that a maximum of 50 voids would need to be disposed of to achieve a receipt of £7.2m, which is the difference in the option costs modelled



and shown in paragraph 46, table 3. The specification of works should be geared to transforming the estate both for current and returning residents, but also to be attractive to prospective purchasers, thereby making the recovery of capital receipts more assured. It is anticipated that the approach will have substantial regenerative benefits in physical terms. A scheme of this size will cross more than one programme year; it is estimated that the duration of works is likely to be 18-24 months. The preliminary arrangements can be worked up while the rehousing of Maydew residents continues, but the works on site are envisaged to be undertaken to all three blocks at broadly the same time to increase efficiency of scheme management and to reduce disruption to Thaxted and Damory residents.

87. Option 3 has the advantage of being largely self-financing in terms of the potential capital receipts from the disposals. The option appraisal was conducted with an assumption of disposing of 49% of the properties at Maydew House, but in the recommended approach, this should be regarded as a maximum. As outlined in paragraph 58, the disposals will be geared to covering the cost of investment works that are in addition to warm, dry, safe works, and therefore subject to the values achieved, less properties will be sold. The resources required will need to be refreshed as part of the constant review of the overall programme.
88. The head of property will be responsible for ensuring that the council maximises the value of these disposals. This will be done by careful co ordination with the project team and sourcing the advice of outside professionals with direct market experience. The arrangements for this will be agreed by the director of regeneration, in accordance with normal approval and procurement procedures. Establishing and agreeing the most appropriate internal specification of the individual units and the common parts of Maydew House at the outset will be essential in realising to the council the optimum value of individual units in the longer term. Sales values will be greatly affected by the level and quality of the refurbishment to not just the individual units but the block itself and the surrounding areas of the estate.
89. The sales and marketing of these units will be a major exercise and will require the council to procure the services of suitably experienced property professionals who will utilise a range of marketing tools and methods to properly expose these units to the property market to an agreed timetable. Establishing links with lenders in the residential marketplace will also be critical to ensure that there is a ready supply of suitable finance available for prospective purchasers, further reducing the council's risk.
90. Option 3 also presents other financial advantages in revenue terms, by continuing to provide income from rents and service charges, as well as enabling the council to offer the option to return to tenants.
91. Key to the successful delivery of the Abbeyfield Estate refurbishment and the wider warm, dry and safe programme will be to ensure that the project teams within the major works division responsible for the delivery of projects are given clear milestones and targets to work to and provided with streamlined procedures within proper delegated authorities to enable them to deliver.
92. Restructure within the major works team means there is greater focus and responsibility to ensure good project management going forward.

93. The new structure established project teams responsible for specific contract areas and one individual partnering contractor. The team led by a project manager includes a contract manager, customer relationship officer, lead designer and clerk of works. Teams will be taking joint responsibility for all the projects across their geographic area; no one team member will be working in isolation and every team member is involved in the full range of projects within their team.
94. We have in place exacting contract management processes that monitor performance against forecast cashflows and delivery against key milestones.
95. Progress will be monitored on establishing the heat network from the South East London Combined Heat and Power (SELCHP) plant which would be expected to connect to Four Squares Estate. The costs of any necessary works to the boiler plant and main distribution system would be met by the SELCHP scheme.

#### **Investment implications (inv/ii2589/10Feb20/rjb)**

96. The level and timing of the proposed expenditure will cause the costs of the planned 5 year housing investment programme (HIP) to exceed the level of resources currently assumed. There are, however, additional resources expected to become available which are not yet included in the programme or identified for specific schemes. These include £15m Decent Homes Backlog government funding for 2013/14 and a further £32m (making £50m with the £18m currently assumed) for 2014/15 to be confirmed. Recommendation 8 of the HIP and revised strategy report to cabinet on 31 May 2011 stated that these and any other additional funds becoming available would be used to bring forward schemes within the programme. Other additional funds anticipated include pooled contributions and a review of capital receipts which may be achieved over and above the level of projections at that time.
97. These additional resources will allow a refresh of the HIP in the light of revised assumptions for both the funding and the delivery of the programme. Such a refresh will allow a review of priorities across the different areas of the programme and the bringing forward of specific schemes as is proposed in this report.
98. The approved HIP includes a provision for outstanding leasehold repurchases and associated costs at Maydew House, and this process is already under way. These costs are excluded from the figures in table 3. A further £11.2m provision is included for the refurbishment of the estate in 2015/16, and this will meet the majority of the capital costs for the proposed option to refurbish.
99. The overall costs of the preferred option 3 are £20.3m as shown in table 3. This includes future lifecycle costs which fall outside the HIP, and when these are excluded the capital refurbishment costs to the current programme are approximately £15.3m in years 2012/13–14/15. In the short term this will require the bringing forward of the existing £11.2m provision together with an additional allocation of £4.1m, through a revision of the HIP. This expenditure will be offset by anticipated capital receipts of £7.2m to be achieved in 2015/16–16/17 from the disposal of some refurbished units, representing a capital surplus of £1.2m within the scheme. However, the capital receipts will not only cover the capital refurbishment costs but will also enable the existing provision of £11.2m to be recycled back into the programme from 2015/16 onwards, representing a total saving to the programme in the longer term of approximately £12.4m.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Strategic Director of Communities, Law & Governance

100. Cabinet is recommended to approve the adoption of the preferred option of refurbishment of the three blocks on the Abbeyfield Estate and disposal of a sufficient number of void properties in Maydew House to bridge the funding gap between the warm, dry, safe works and enhanced refurbishment works on the estate. It is noted in this report that Maydew House is land that is held by the council for housing purposes. Cabinet is advised that any disposal of housing land can only proceed in accordance with Section 32 of the Housing Act 1985 (as amended) ("the 1985 Act"), for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required ("the DCLG"). However, a number of general consents have been issued in The General Housing Consents 2005 ("the General Consents") which permit the sale of housing land, provided that certain conditions are met. General Consent A5.1.1 of the general consent for the disposal of Part II dwelling-houses states that a local authority may, subject to the provisions of that consent, dispose of one vacant house or vacant flat or vacant converted house to any individual for a consideration equal to its market value, provided that the purchaser (alone or with others) has not, under this consent acquired another dwelling-house from the authority previously in the same financial year.
101. To comply with this consent the council must:
- Achieve a price for each of the properties that is equal to its market value; and,
  - Ensure that the purchaser of each of the properties confirms in the agreement for sale that they have not (alone or with others) purchased another property from the council in the same financial year.
102. Before disposal of each of the properties the strategic director of housing services must have declared each of the properties surplus to the council's requirements.
103. If the price achieved for the properties is less than £500,000 each then the decision to dispose of the properties is delegated to the head of property under Part 3P of the council's constitution.
104. Cabinet is also recommended to note the next steps to acquire the remaining two leasehold interests in Maydew House is to commence compulsory purchase proceedings. The report indicates that the council will refurbish all flats in Maydew House and dispose of a number of void properties in Maydew House by way of private sale. Cabinet is advised that the council has powers under Section 17 of the 1985 Act to take over land, houses or other properties to increase the number of houses available or to improve the housing stock. This power is more usually used to acquire land for housing and would include renovating sub standard properties. Where a local authority gains control of properties using this power they are usually sold on. The council has powers under Section 17 (3) of the 1985 Act to acquire land by agreement, or may be authorised by the DCLG to acquire it compulsorily. Compensation is paid to the dispossessed leaseholders in accordance with the provisions of the Acquisition of Land Act 1981.

105. Officers will report back to cabinet to seek approval to make a compulsory purchase order, the decision of which is reserved to cabinet under Part 3C of the council's constitution.
106. Recommendations in this report relating to the management, maintenance and improvement of council dwellings fall within the ambit of housing management matters that require consultation with the council's affected secure tenants. The report indicates that consultation has been carried out with potentially affected residents of all tenures on the Abbeyfield Estate. To meet legal requirements consultation must be undertaken when the proposals are still at a formative stage, include sufficient reasons for the proposals to allow any interested party the opportunity to consider the proposal and formulate a response and allow adequate time for interested parties to consider the proposal and formulate their response. Those responsible for taking decisions on proposals should take into account the product of consultation when making decisions on the matters concerned. The report confirms that consultation has been carried out with residents throughout development of options and selection of the preferred option. The outcome of the consultation is set out in the report. Members are advised that a decision on the future of the Abbeyfield estate should be taken after careful consideration of consultation responses from interested parties.
107. Members should also have regard to the public sector equality duty in section 149 of the Equality Act 2010. This requires the council, when taking decisions, to have due regard 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.
108. 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. Members are referred to the community impact statement in this report that sets out consideration given to the public sector equality duty and should have due regard to this when considering the recommendations.
109. The report recommends that secure tenants displaced from Maydew are offered an option to return to one of the refurbished properties. This is a matter of discretion for the council and members should carefully consider and balance the factors set out in paragraphs 65 – 68 when considering the recommendation. If this recommendation is agreed, the council's allocations policy will need to make provision for the allocation of housing under an option to return.

**Finance Director ( NR/F&R/10/2/12)**

110. This report recommends that the cabinet notes the findings of the Abbeyfield Estate options appraisal, and approves adoption of the preferred option of enhanced refurbishment of all 3 blocks. Also that the cabinet approves the implementation of a compulsory purchase order to reacquire the remaining interests in Maydew House. The cabinet also to note various matters connected with the recommendations.

111. The finance director notes the resource and investment implications contained within the report. However, in terms of the housing investment programme (HIP) there will need to be a reallocation of capital resources to enable the works to be completed.
112. There are a number of actions that need to be taken to complete this reallocation. Firstly the current gross expenditure budget for the Abbeyfield estate within the HIP capital programme stands at circa two thirds of the forecast expenditure. Additional resource to support this expenditure will be reallocated so that this programme is fully funded.
113. Secondly although there will be an anticipated capital receipt to finance the works expenditure, this arrives after the costs have been incurred. Therefore the overall HIP programme will require a refresh to align budget resource with expenditure. This process is due to happen in the first quarter of the new financial year.
114. The revenue expenditure associated with the estate is supported by the repairs and maintenance budget handled by the housing management service. The budget for this expenditure is approved and will continue to be monitored through the annual budget setting process. Housing rents associated with the estate will exceed the revenue expenditure over the life of the programme
115. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

#### **Head of Home Ownership and Tenant Management Initiatives**

116. Home ownership services would support option 3 because as a general rule it is more efficient to undertake all necessary works in one contract. To do otherwise could result in leaseholders challenging the reasonableness of the service charge – for example two lots of scaffolding, preliminaries etc.
117. Much of the work proposed is service chargeable, so the council will be required to carry out statutory consultation with leaseholders under section 20 of the landlord and tenant act 1985 (as amended). If the prevailing partnering contract pertains then home ownership services will need to carry out the consultation under schedule 3 of the regulations, which requires a single notice detailing the works proposed, justification for those works and the total cost. Leaseholders will have a 30 day period to make observations, which must be fully considered prior to the package of work being let. Home ownership services have given advice on the statutory consultation requirements should another contractor, including the back-up contractor, be used.
118. The council recognises that some leaseholders may have difficulty in paying large major works service charge bills. A number of payment options are available to leaseholders, dependant on their particular circumstances and staff within home ownership services are available to discuss these with leaseholders on an individual basis.
119. The management of garages now falls within the remit of the home ownership and tenant management initiatives division. The garages under Maydew are in dire need of security and refurbishment work as they are currently not in a lettable condition. If the proposal to sell half the properties in Maydew goes

ahead then there will be a need for parking on the estate, and the refurbished garages could be easily let. The garages under Maydew are vulnerable to vandalism, fly-tipping and other security hazards. This means that not only is there a loss of income on the garages but there are on-going costs of security and clearance and potential health and safety risks to current residents of the block.

120. For the infill development option, the planners have assumed 30% social rent, 70% intermediate tenure (which can mean intermediate rent, shared ownership or shared equity) in their calculation of NPV. However, the preferred option of part disposal of Maydew modelled 51% social rent, 49% leasehold. The meaning of "leasehold" needs to be clarified as to whether these will be 100% sales or if they will include shared ownership or shared equity sales. The assumptions made may have to be reconsidered accordingly.
121. It is assumed that the council will be retaining full management and maintenance responsibility for the structure, communal areas and shared services of all the sold properties in Maydew House. Home ownership services need to be involved in drafting the lease to ensure that it is in the same, or a similar, format to the standard RTB lease, especially with regard to the statutory requirements of schedule 6 of the Housing Act 1985, which must be explicitly stated. It must be remembered that future secure tenants of Maydew House will have the right to buy their property, or be able to apply for the social homebuy scheme, which would have an effect on those leaseholders who purchased on the open market if their leases were not on the same terms. This may affect the marketability or market value of the properties to be sold as the lease will have to be more restrictive than it could otherwise be, and the council will not be able to operate a sinking fund. Home ownership services must be kept fully informed of any new sales and assignments in order to properly manage the service charge accounts.
122. Detailed costs of the works per property (if this is to differ between properties) needs to be kept as this will reduce the applicable discount as a cost floor for tenants exercising the right to buy in the future.

## BACKGROUND DOCUMENTS

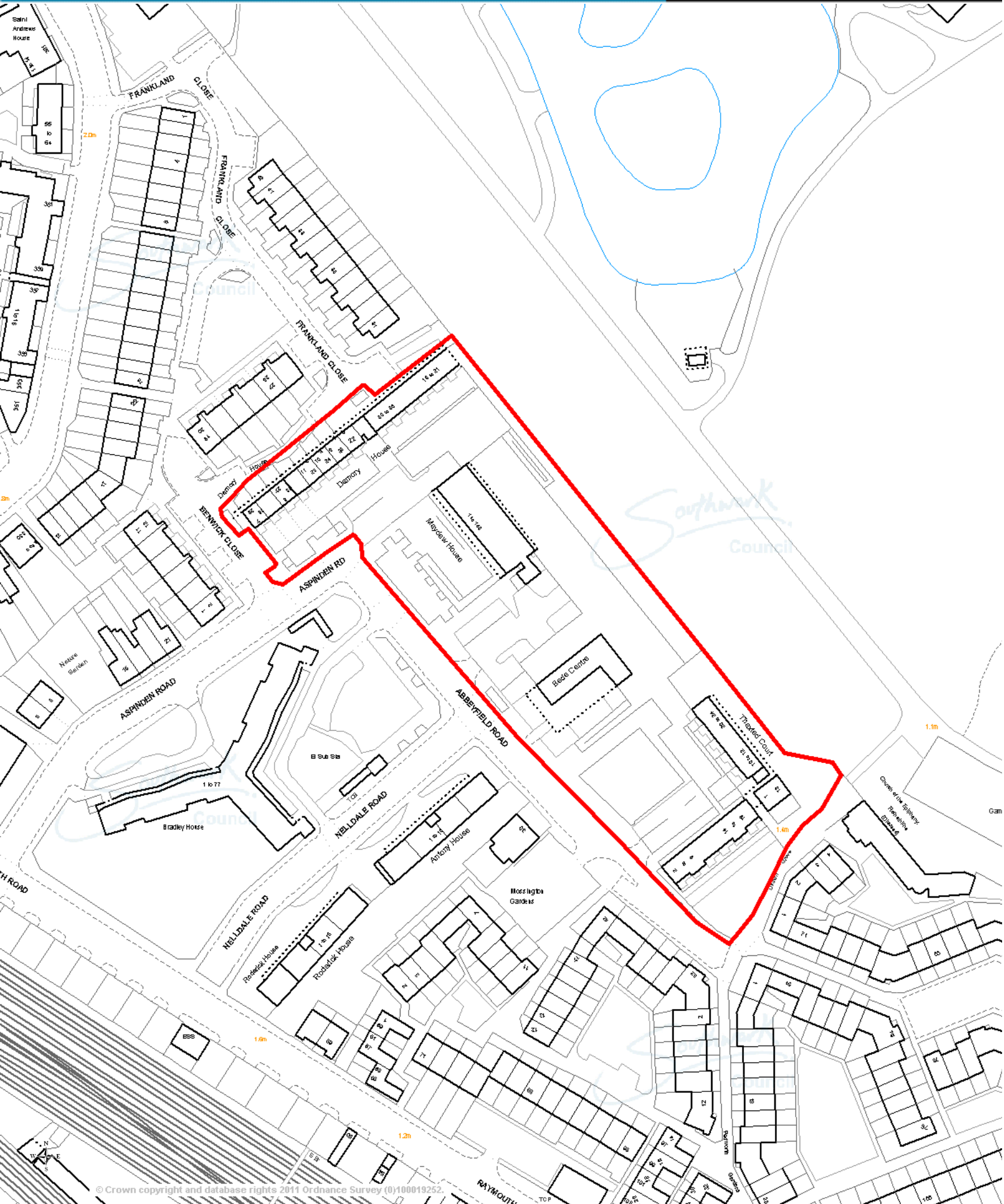
Background Papers	Held At	Contact
Mace Building Condition Report	Housing Regeneration Initiatives/ Estate Regeneration Team, 160 Tooley Street, London SE1 2QH	Diana Hall 020 7525 7724
Martin Associates Condition Survey	Housing Regeneration Initiatives/ Estate Regeneration Team, 160 Tooley Street, London SE1 2QH	Diana Hall 020 7525 7724
FCBS Land Capacity Report	Housing Regeneration Initiatives/ Estate Regeneration Team, 160 Tooley Street, London SE1 2QH	Diana Hall 020 7525 7724

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Abbeyfield Estate Layout
Appendix 2	Abbeyfield Estate Preferred Option Information Pack: Letter, Survey x 2, Information Slides
Appendix 3	Abbeyfield Estate Preferred Option Survey Analysis

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management and Councillor Fiona Colley, Cabinet Member for Regeneration and Corporate Strategy	
<b>Lead Officer</b>	Maurice Soden, Regeneration Initiatives Manager	
<b>Report Author</b>	Diana Hall, Project Officer	
<b>Version</b>	Final	
<b>Dated</b>	8 March 2012	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Head of Home Ownership	Yes	Yes
<b>Cabinet Members</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		9 March 2012



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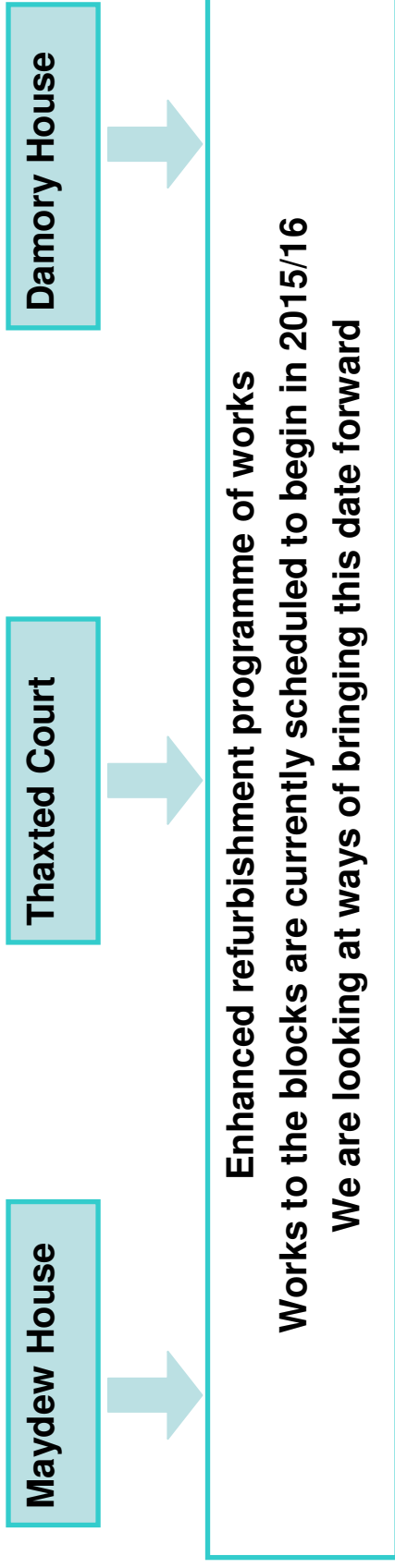
# THE PREFERRED OPTION



## ENHANCED REFURBISHMENT WITH A PART RETENTION AND PART DISPOSAL OF MAYDEW HOUSE

If you would like further information, please contact Diana Hall on 0207 525 7724 ([diana.hall@southwark.gov.uk](mailto:diana.hall@southwark.gov.uk)) or Neal Purvis, your Independent Resident Advisor on freephone number: 0800 073 1051 ([nealpurvis@tiscali.co.uk](mailto:nealpurvis@tiscali.co.uk)). If you require information in your own language, please contact 0207 525 5000

## What does this mean?



### Once works are completed what will happen to Maydew House?

- The block stays in council ownership
- Half of the properties will be kept as social rent units for council tenants
- Half of the properties will be sold as leasehold units

### Refurbishment to the Enhanced Standard means that over the next 30 years, repair needs will be reduced

The works that have been proposed will ensure that the blocks will need less major works in future years, and that the need for day-to-day repairs will also reduce.

The works proposed in the enhanced refurbishment standard for all three blocks are:

**External works including:**

- Concrete and brickwork repairs
- Repair / renewal of roofs
- Repair / replacement of windows
- Replacement of existing front entrance doors with fire resisting doors

**Works to communal areas including:**

- Repairs to doors and windows in communal areas and staircases
- Repairs to handrails and floors in communal areas
- Redecoration of existing decorated surfaces to include fire resistant coating
- Fire safety works
- Asbestos removal where necessary

**Works to areas directly external to the block including:**

- Testing and repairs to underground drainage
- Repair / renewal to landlord lighting
- Works to garages / pram stores
- Car park works, landscaping and works to podium
- New access ramp and stairs for Maydew House

## Maydew House



- Full kitchen replacement/renewal
- Full bathroom replacement/renewal
- Renewal of electrics and heating installations
- Installation of smoke alarms, fire doors, extractor fans, entry phones
- Asbestos removal

## Thaxted Court & Damory House



- Kitchen renewal only to those kitchens that are assessed as 20 years old and beyond their reasonable life
- Bathroom renewal only to those bathrooms that are assessed as 30 years old and beyond their reasonable life
- Renewal of electrics and heating installations
- Installation of smoke alarms, fire doors, extractor fans, entry phones
- Asbestos removal

**These works would not be carried out to leasehold properties**

**Where it is advised as necessary for health and safety reasons, residents of Damory House and Thaxted Court may be required to vacate their home for periods of up to 6 hours.**

Some of the works proposed will involve shutting down the existing heating/hot water system and installing a temporary system for the low-rise blocks. This will result in no heating and hot water for a brief period of time. During this time we have been advised it would be better for residents to leave their properties while these works are carried out. You may have to leave your home for up to 6 hours until the works are complete.

The Council's Major Works team, in consultation with residents and the contractor, will ensure that there are appropriate facilities and security arrangements in place for any resident who is required to temporarily leave their home. The exact nature of those facilities will be discussed with residents before any work is carried out on site.

## Implication of works: Maydew House

**Under this option, the Council would retain the freehold of Maydew House, keeping half the block as social rented and selling the other half as individual properties.**

**It would allow current and former secure tenants of Maydew House to be given the option to return to the block once works are completed. The number or size of homes in Maydew House would not change. Those who need a property larger than 2 bedrooms could not be offered the option to return.**

**The Council is considering placing a number of the private sale units on the top floors of the tower as this could provide a higher sale value.**

**The remaining social rented and private sale units would be mixed across the remaining floors of the block.**

Under this option, the following would take place

### **Internals:**

- The physical layout of all dwellings will remain the same
- All properties would have:
- a full strip out
  - new heating and water pipes installed
  - new kitchens
  - new bathrooms
  - hard wired smoke alarms installed
  - fire resistant doors installed
  - updated door entry systems
  - individually controlled thermostats with the new heating and hot water system to control room temperature

### **Externals**

- The access and lift arrangements would stay the same
- No additional properties would be built
- The ramp and staircase in front of the block would be removed and that area made into a landscaped car park
- The garages would be refurbished
- There would be some soft landscaping to the communal areas to make them more appealing
- The ground floor goods lift would be reinstated
- The 1<sup>st</sup> floor of the block would be refurbished as a community type facility for the estate
- Updated CCTV installation
- Overcladding the tower to increase the life of the block, insulate it and make it more appealing

**Council officers from Homeownership Service will be at the drop in session on 21 February to answer leaseholder queries**

PLEASE NOTE: The figures below are budget estimates produced for the option appraisal and should not be treated as final. Once further surveys have been done and specifications drawn up the charges may well vary considerably – they could go either up or down. Before any refurbishment work starts on the Abbeyfield Estate the Council will be carrying out ‘section 20’ consultation with you. You will be issued with a notice based on the final specification of works which will include an estimated service charge based on the prices received from the contractor.

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

Preferred Option – Option 3: Enhanced refurbishment with a part retention/part disposal of Maydew House					
1. Block	2. Property size	3. Initial capital cost	4. Maintenance cycle 1 (after 10 years)	5. Maintenance cycle 2 (after 20 years)	6. Cost over 30 years
Thaxted Court	1 bed	£25,675	£30,334	£4,173	£60,182
	3 bed	£35,945	£42,467	£5,842	£84,254
Damory House	0 bed	£21,448	£23,017	£2,750	£47,215
	3 bed	£37,534	£40,281	£4,813	£82,628

### Notes

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

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

**Repayment options are shown on the following slide**

## Payment options

Before any works are carried out on the Estate, the Council will consult with residents and leaseholders fully. Following on from the finalisation of works costs and Section 20 leaseholder consultation, leaseholders will be issued with a service charge bill. The Council has a range of repayment options for leaseholders.

### 1. Interest free loans

Payment can be made over a period of up to 48 months in equal, monthly instalments. Payment will need to be made immediately, and missing a payment will mean that the entire outstanding amount will become due, with interest being added until the balance of the invoice is paid. This option is not available to leaseholders who sublet their properties

### 2. Loan with interest

You will be charged interest on these loans at the rate stated in the terms of your lease (usually 5% above the base rate of the NatWest bank). You may negotiate a payment period of up to 10 years, but interest will be charged on the outstanding balance. This is an unsecured debt.

### 3. Service charge loan

This is effectively a mortgage on the property and can be repaid over up to 25 years. Interest will be charged, but the rate is lower than for option 4, which is unsecured debt. We will charge a £498 arrangement fee to cover our legal, valuation and administrative costs, but this can be included in the loan. You may also approach your existing lender or any other finance company for a loan

### 4. Voluntary charge on your home

If you cannot afford option 3 then we may consider allowing you to secure the debt through a voluntary charge on your home. This means that you do not have to make any payment and the debt, including interest, will be repaid when your home is sold.

### 5. Equity share/ equity loan

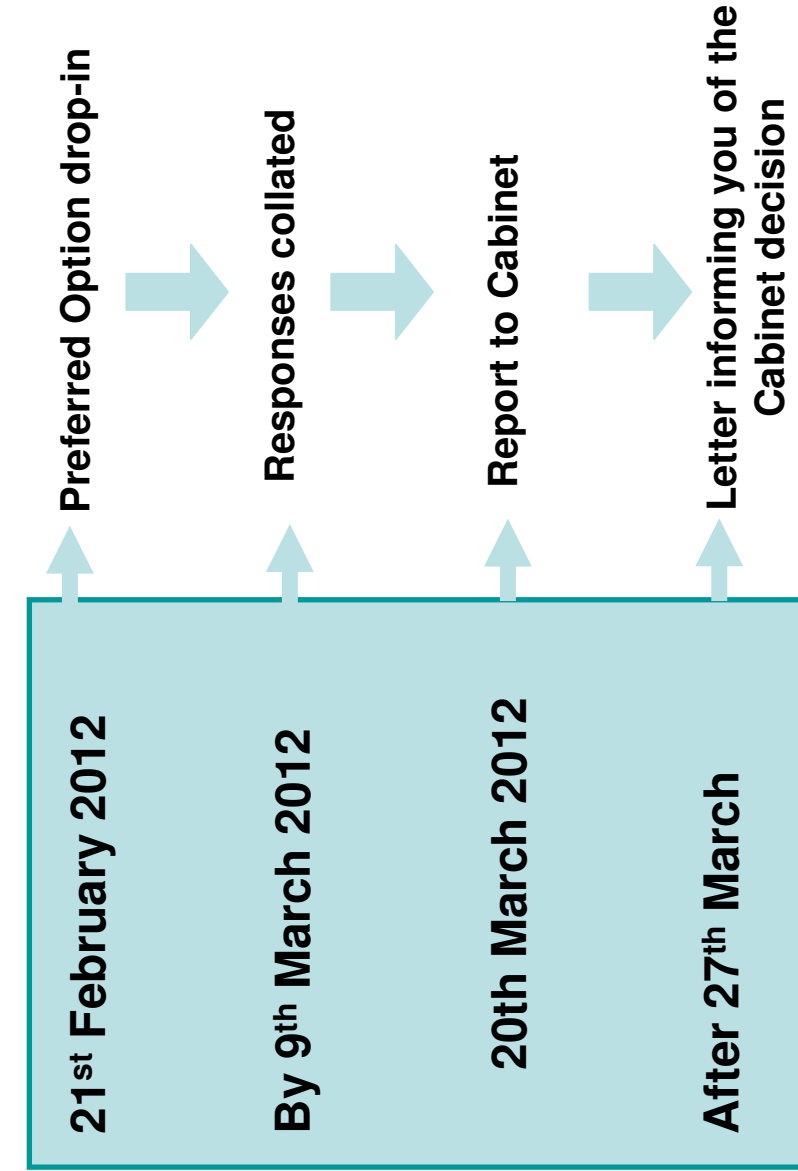
We can also offset major works service charges by taking an equity share in your property, either by way of a surrender of the right to buy lease and granting of a shared ownership lease, or by way of a legal charge. In both cases we need to do a valuation of the property to see what the works cost is as a percentage of the value

### To find out more about the

Council's repayment options you can contact Chris Flynn, Housing Services, Southwark Council on **0207 525 0830**



## Next steps



### If the Cabinet agrees the preferred option then..

After you have received a letter from us informing you of the Cabinet's decision and timetable, work will begin to implement the preferred option of enhanced refurbishment.

The Council's Major Works team will manage the implementation of the enhanced refurbishment. They will get in touch with Abbeyfield Estate residents to begin the consultation process prior to works being carried out to your homes. When the Major Works team contacts you, they will provide you with contact details for the Council Officers who will be leading on this for the Abbeyfield Estate.

## Appendix 2

To residents of: **Maydew House (and former residents)**  
**Thaxted Court**  
**Damory House**

**Estate Regeneration Team**  
**Direct dial: 020 7525 7724**

10 February 2012

Dear Resident,

### **Abbeyfield Estate Options Appraisal Outcome: Preferred Option Consultation**

As you will know, we have been comparing the different options for long term repair and investment at Abbeyfield Estate including the future of Maydew House. We have now completed our analysis and have chosen a preferred option that the Council's Cabinet will be considering on 20 March 2012. This is **Option 3 – Enhanced refurbishment with a part retention/part disposal of Maydew House**. All three blocks would receive an enhanced programme of works and the Council would keep some of the units in Maydew House as social rent for council tenants and sell the others as leasehold properties. This option has been chosen as the preferred option as it offers the best overall fit with the Council's strategic priorities, offers the best value for money overall and does not pose any unmanageable risks to residents or the Council. Enclosed in this pack is an information sheet summarising the works that we have included in our specification for the preferred option. Please read this sheet carefully.

#### **Information for leaseholders**

On the back of the information sheet summarising the works that we have included within the specification for the option are our budget estimates of the cost of this option to leaseholders in Thaxted Court and Damory House. Please read this sheet carefully. Leaseholders should note that this is a budget estimate prepared as part of the option appraisal, not contractors' prices. It is intended to give an estimate of the potential cost implications of the refurbishment. This estimate is subject to change (either up or down). Prior to refurbishment works commencing, our contractors will need to issue us with final costs for works, which will then be consulted on with you. Please refer to the information sheet for further detail. Also enclosed is a leaflet that describes leaseholder payment options offered by Southwark for major works. This leaflet is enclosed for your information only; we are not asking you to pay anything at this point. The process of buying out leaseholders in Maydew House will continue as the rehousing process continues.

#### **Preferred option consultation survey**

Enclosed within this pack is a preferred option consultation survey. The purpose of this survey is for us to understand resident opinion of the preferred option, and its implications, so that when the Council's Cabinet makes its decision on 20<sup>th</sup> March, Cabinet members are fully aware of what residents think of the preferred option. It is important that you complete this survey and return it to us in the freepost envelope enclosed by Friday 24 February 2012. You can also hand in your survey to a Council officer at the preferred option drop-in session on Tuesday 21 February 2012.

**Preferred option drop in session, Tuesday 21<sup>st</sup> February.**

We will be holding a preferred option drop-in session on **Tuesday 21<sup>st</sup> February between 6.00pm and 8.00pm in the TRA Hall, Maydew House**. This will be an opportunity for you to come in and talk to Council officers and Resident Steering Group members about the preferred option before filling in your survey. You will also be able to hand in your survey on the evening. Neal Purvis, your independent resident advisor, will be there to answer any queries you might have and officers from the Homeownership Unit will also be available to respond to leaseholder queries.

**Next Steps**

We will write to you again, shortly after 20<sup>th</sup> March, to inform you of the outcome of the Cabinet decision.

Please note there will then be further detailed consultation with residents, including with leaseholders at Thaxted Court and Damory House, prior to any works being carried out.

Should you require further information about any of the information contained within this pack, you can contact myself on 0207 525 7724 or at [diana.hall@southwark.gov.uk](mailto:diana.hall@southwark.gov.uk) or Neal Purvis, your independent resident advisor on the freephone number 0800 073 1051 or at [nealpurvis@tiscali.co.uk](mailto:nealpurvis@tiscali.co.uk)

Yours sincerely,

A handwritten signature in black ink, appearing to read "Diana Hall".

Diana Hall  
**Project Officer**  
Estate Regeneration Team

Appendix 2  
**ABBEYFIELD ESTATE OPTIONS APPRAISAL 2012**  
**THE PREFERRED OPTION SURVEY**



The Council's Cabinet plans to decide on 20<sup>th</sup> March 2012 which investment works will take place at Abbeyfield Estate, including the future of Maydew House. The Cabinet will be considering enhanced refurbishment of Maydew House and letting half of the flats to Council tenants and selling the other flats within the block to pay for the work. We want to know what you think of this preferred option. Please fill in the survey below and return it to us by **Friday 24<sup>th</sup> February 2012 – details on how to return the survey are provided on page 3.** If you would like independent advice or help with filling in this survey, please contact your Independent Resident Advisor, Neal Purvis on freephone number **0800 073 1051**. If you require this information in your language please contact **0207 525 5000**.

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

1. Where do you live at the moment? (please tick one)

Maydew House  Elsewhere  (please state where) \_\_\_\_\_

2. Are you a (please tick one):

Secure tenant  Leaseholder  Temporary occupier/ sub-tenant)

**Section B: The preferred option – Enhanced refurbishment with a part retention/part disposal of Maydew House**

Please refer to the information sheets included as Appendix 1 for a summary list of the works that we will be proposing to include, and the proposals for Maydew House.

1 **Listed below are the implications of the preferred option. Please tick one box per line only to indicate your view.**

	Strongly Agree	Agree	Don't Mind	Disagree	Strongly Disagree	Don't Know
A As part of the extensive internal works, kitchens and bathrooms should be fully replaced						
B Works to Maydew House are scheduled to begin in 2015/16. Would you prefer the works to start earlier than that?						
C It is agreeable that the rehousing of Maydew House residents continues in order to empty the block so that works can take place.						
D It is agreeable that the private sale and social rented units are mixed across all floors of the block.						
E It is agreeable that the Council explores whether making the top floors of the block housing for sale only would raise more money to pay for the works.						
F It is better to refurbish to an enhanced standard so that in the coming years, repair needs and the necessity for major works will be reduced.						

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

1 Are you happy with the choice of option 3 (Enhanced refurbishment with a part retention/part disposal of Maydew House) as the preferred option? (please tick one)

Yes  
 No

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

Yes  
 No

**ABBEYFIELD ESTATE OPTIONS APPRAISAL 2012**

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

**Section D: Your priorities**

<sup>1</sup> The six priorities listed below were collected from resident feedback in November. **Please tick 3 of the statements** that are most important to you:

- a  Improving the condition and appearance of the blocks and communal areas
- b  Improving the internal condition of my home
- c  Environmental enhancements to the estate to improve the quality of the open spaces and areas between blocks
- d  Having a solution that is affordable to me
- e  Having the option to return to Maydew House on completion of works
- f  The social rented and private sale units will be mixed on every floor

**Please check you have not ticked more than 3 of the above boxes, ticking more than 3 boxes will invalidate your response.**

**Section E: Your comments**

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

**Section F: Monitoring**

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

**1 Age**

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

**2 Gender**

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

**3 Disability**

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

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

**4 Sexual orientation**

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

**5 Religion/beliefs**

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

**6 Ethnicity****White**

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

**Mixed**

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

**Asian or Asian British**

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

**Black or Black British**

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

**Chinese**

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

**Other ethnic group**

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

**Prefer not to say**

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

**Thank you for completing this survey**

**Please return this survey to us by Friday 24<sup>th</sup> February 2012. You can do this by:**

- Enclosing it in the FREEPOST envelope included in this pack
- Posting it to Abbeyfield survey, Estate Regeneration Team, FREEPOST RSCE-TGHU\_CUZB, Southwark 160 Tooley Street, 5<sup>th</sup> Floor-HUB 3, London SE1 2QH
- Emailing it to [estateregen@southwark.gov.uk](mailto:estateregen@southwark.gov.uk)
- Handing it in at the drop in session on Thursday 21<sup>st</sup> February 2012, from 6.00-8.00pm in the TRA Hall, Maydew House.

Appendix 2  
**ABBEYFIELD ESTATE OPTIONS APPRAISAL 2012**  
**THE PREFERRED OPTION SURVEY**



The Council's Cabinet plans to decide on 20<sup>th</sup> March 2012 which investment works will take place at Abbeyfield Estate, including the future of Maydew House. The Cabinet will be considering enhanced refurbishment of Thaxted Court, Damory House and Maydew House and letting half of the flats to Council tenants and selling half of the flats within Maydew House to pay for the work. We want to know what you think of this preferred option. Please fill in the survey below and return it to us by **Friday 24<sup>th</sup> February 2012 – details on how to return the survey are provided on page 3.** If you would like independent advice or help with filling in this survey, please contact your Independent Resident Advisor, Neal Purvis on freephone number **0800 073 1051**. If you require this information in your language please contact **0207 525 5000**.

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

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

2. Are you a (please tick one):

Secure tenant

Leaseholder

Temporary occupier/ sub-tenant

**Section B: The preferred option – Enhanced refurbishment with a part retention/part disposal of Maydew House**

Please refer to the information sheets included as Appendix 1 for a summary list of the works that we will be proposing to include.

1 **Listed below are the implications of the preferred option. Please tick one box per line to indicate your view.**

	Strongly Agree	Agree	Don't Mind	Disagree	Strongly Disagree	Don't Know
A Kitchens should only be replaced where they are assessed as 20 years old and beyond their reasonable life <b>(this does not apply to leaseholders).</b>						
B Bathrooms should only be replaced where they are assessed as 30 years old and beyond their reasonable life <b>(this does not apply to leaseholders).</b>						
C Works to Thaxted & Damory are scheduled to begin in 2015/16. Would you prefer the works to start earlier than that?						
D It is agreeable that residents may be asked to vacate their homes for a period of up to 6 hours whilst the heating/hot water system is switched off. A safe place nearby in the block away from the works will be provided offering residents a place to relax where tea/coffee making facilities will be available.						
E It is better to refurbish to an enhanced standard so that in the coming years, repair needs and the necessity for major works will be reduced.						

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

1 Are you happy with the choice of option 3 (enhanced refurbishment of Thaxted and Damory with a part retention/part disposal of Maydew House) as the preferred option? (please tick one)

Yes  
 No

**ABBNEYFIELD ESTATE OPTIONS APPRAISAL 2012**

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

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

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

**Section D: Your priorities**

1 The six priorities listed below were collected from resident feedback in November. **Please tick 3 of the statements** that are most important to you:

- |   |                          |   |
|---|--------------------------|---|
| a | <input type="checkbox"/> | Improving the condition and appearance of the blocks and communal areas                                     |
| b | <input type="checkbox"/> | Improving the internal condition of my home   |
| c | <input type="checkbox"/> | Environmental enhancements to the estate to improve the quality of the open spaces and areas between blocks |
| d | <input type="checkbox"/> | Having a solution that is affordable to me  |
| e | <input type="checkbox"/> | Not having a new development built that may overlook or overshadow my home                                  |
| f | <input type="checkbox"/> | Not losing any green space around my home to new development  |

**Please check you have not ticked more than 3 of the above boxes, ticking more than 3 boxes will invalidate your response.**

**Section E: Your comments**

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



**Section F: Monitoring**

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

**1 Age**

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

**2 Gender**

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

**3 Disability**

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

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

**4 Sexual orientation**

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

**5 Religion/beliefs**

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

**6 Ethnicity****White**

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

**Mixed**

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

**Asian or Asian British**

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

**Black or Black British**

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

**Chinese**

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

**Other ethnic group**

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

**Prefer not to say**

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

**Thank you for completing this survey**

**Please return this survey to us by Friday 24<sup>th</sup> February 2012. You can do this by:**

- Enclosing it in the FREEPOST envelope included in this pack
- Posting it to Abbeyfield survey, Estate Regeneration Team, FREEPOST RSCE-TGHU\_CUZB, Southwark 160 Tooley Street, 5<sup>th</sup> Floor-HUB 3, London SE1 2QH
- Emailing it to [estateregen@southwark.gov.uk](mailto:estateregen@southwark.gov.uk)
- Handing it in at the drop in session on Thursday 21<sup>st</sup> February 2012, from 6.00-8.00pm in the TRA Hall, Maydew House.

## Appendix 3

**Maydew House Preferred Option Survey  
Analysis of responses to statements**

Total no. of surveys sent out: 94  
Total no. of surveys returned: 15  
Response rate: 16%

**Tenure**

Count of A1 and A2 [section A]

Block	Leaseholder	Secure tenant	Total
Maydew	1	10	11
X Maydew		4	4
<b>Grand total</b>	1	14	15
<b>% of all respondents</b>	7	93	100

**Section B - the preferred option**

As part of the extensive internal works, kitchens and bathrooms should be fully replaced

Count of B1a	Strongly agree	Agree	Disagree	Strongly disagree	Grand total
<b>Grand total</b>	8	5	1	1	15
<b>% of [all] respondents</b>	53	33	7	7	100

Works to Maydew House are scheduled to begin in 2015/16. Would you prefer the works to start earlier than that?

Count of B1b	Strongly agree	Agree	Don't mind	Disagree	Strongly disagree	Grand total
<b>Grand total</b>	4	3	6	1	1	15
<b>% of [all] respondents</b>	27	20	40	7	7	100

It is agreeable that the rehousing of Maydew House residents continues in order to empty the block so that works can take place

Count of B1c	Strongly agree	Agree	Don't mind	Disagree	Strongly disagree	Grand total
<b>Grand total</b>	4	4	1	4	2	15
<b>% of [all] respondents</b>	27	27	7	27	13	100

It is agreeable that the private sale and social rented units are mixed across all floors of the block

Count of B1d	Strongly agree	Agree	Don't mind	Disagree	Don't know	Grand total
<b>Grand total</b>	5	6	1	1	2	15
<b>% of [all] respondents</b>	33	40	7	7	13	100

It is agreeable that the Council explores whether making the top floors of the block housing for sale only would raise more money to pay for the works

Count of B1e	Strongly agree	Agree	Don't mind	Disagree	Strongly disagree	Don't know	Grand total
<b>Grand total</b>	4	1	3	3	1	3	15
<b>% of [all] respondents</b>	27	7	20	20	7	20	100

It is better to refurbish to an enhanced standard so that in the coming years, repair needs and the necessity for major works will be reduced

Count of B1f	Strongly agree	Agree	Disagree	Don't know	Grand total
<b>Grand total</b>	8	4	2	1	15
<b>% of [all] respondents</b>	53	27	13	7	100

**Section C - respondent views of the preferred option/s**

Are you happy with the choice of option 3 as the preferred option [enhanced refurbishment with a part retention/disposal of Maydew House]?

Count of C1	Yes	No	Blank	Grand total	Respondents
<b>Grand total</b>	11	2	2	15	13
<b>% of all respondents</b>	73	13	13	100	
<b>% of respondents</b>	85	15			100

## Appendix 3

Does this option include the works to your home that are most important to you?

Count of C2	Yes	No	Blank	Grand total	Respondents
<b>Grand total</b>	9	3	3	15	12
<b>% of all respondents</b>	60	20	20	100	
<b>% of respondents</b>	75	25			100

#### Section D - respondent priorities

D1 - The survey included a list of statements collected from resident feedback in November. Respondents were asked to tick 3 of the statements which are most important to them.

Number of respondents who indicated the following statements are most important to them:

Count of D1	No. of respondents
b) Improving the internal condition of my home	8
e) Having the option to return to Maydew House on completion of works	8
f) The social rented and private sale units will be mixed on every floor	7
a) Improving the condition and appearance of the blocks and communal areas	6
d) Having a solution that is affordable to me	3
c) Environmental enhancements to improve open spaces and areas between blocks	2

12 respondents indicated their preferences, 2 did not indicate any preferences and 1 response was invalid because a respondent picked more than 3 of the statements

## Appendix 3

**Damory/ Thaxted Preferred Option Survey**  
**Analysis of responses to statements**

Total no. of surveys sent out: 59

Total no. of surveys returned: 12

Response rate: 20%

**Tenure**

Count of A1 and A2 [section A]

Block	Leaseholder	Secure tenant	Total
Damory	2	7	9
Thaxted	1	2	3
Grand total	3	9	12
% of all respondents	25	75	100

**Section B - the preferred option**

**Kitchens should only be replaced where they are assessed as 20 years old and beyond their reasonable life (Council tenants only)**

Count of B1a	Strongly agree	Agree	Strongly disagree	Blank	Invalid	Grand total	Respondents
Grand total	2	3	2	1	1	9	7
% of all respondents	22	33	22	11	11	100	
% of respondents	29	43	29				100

**Bathrooms should only be replaced where they are assessed as 30 years old and beyond their reasonable life (Council tenants only)**

Count of B1b	Strongly agree	Agree	Don't mind	Strongly disagree	Blank	Invalid	Grand total	Respondents
Grand total	3	1	1	2	1	1	9	7
% of all respondents	33	11	11	22	11	11	100	
% of respondents	43	14	14	29				100

**Works to Thaxted and Damory are scheduled to begin in 2015/16. Would you prefer the works to start earlier than that?**

Count of B1c	Strongly agree	Agree	Don't mind	Strongly disagree	Don't know	Blank	Invalid	Grand total	Respondents
Grand total	4	1	2	2	1	1	1	12	10
% of all respondents	33	8	17	17	8	8	8	100	
% of respondents	40	10	20	20					100

**It is agreeable that residents may be asked to vacate their homes for a period of up to 6 hours whilst the heating/hot water system is switched off**

Count of B1d	Strongly agree	Agree	Don't mind	Disagree	Don't know	Blank	Invalid	Grand total	Respondents
Grand total	3	2	3	1	1	1	1	12	10
% of all respondents	25	17	25	8	8	8	8	100	
% of respondents	30	20	30	10	10				100

**It is better to refurbish to an enhanced standard so that in the coming years, repair needs and the necessity for major works will be reduced**

Count of B1e	Strongly agree	Agree	Don't mind	Disagree	Blank	Invalid	Grand total	Respondents
Grand total	3	2	2	1	3	1	12	8
% of all respondents	25	17	17	8	25	8	100	
% of respondents	38	25	25	13				100

**Section C - respondent views of the preferred option/s**

**Are you happy with the choice of option 3 as the preferred option [enhanced refurbishment of Thaxted & Damory with a part retention/disposal of Maydew House]?**

Count of C1	Yes	No	Blank	Grand total	Respondents
Grand total	8	3	1	12	11
% of all respondents	67	25	8	100	
% of respondents	73	27			100

**Does this option include the works to your home that are most important to you?**

Count of C2	Yes	No	Blank	Grand total	Respondents
Grand total	9	2	1	12	11
% of all respondents	75	17	8	100	
% of respondents	82	18			100

## Appendix 3

## Section D - respondent priorities

D1 - The survey included a list of statements collected from resident feedback in November. Residents were asked to tick 3 of the statements which are most important to them.

Number of respondents who indicated the following statements are most important to them:

Count of D1	No. of respondents
e) Not having a new development built that may overlook or overshadow my home	8
f) Not losing any green space around my home to new development	7
a) Improving the condition and appearance of the blocks and communal areas	6
b) Improving the internal condition of my home	5
d) Having a solution that is affordable to me	5
c) Environmental enhancements to improve open spaces and areas between blocks	1

11 respondents indicated their preferences, and 1 response was invalid because a respondent picked more than 3 of the statements

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Response to the Housing and Community Safety Scrutiny Sub-Committee on the Fire Safety Works at Canada Estate	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

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

In January 2011, concerns around works at Canada Estate were brought to the attention of the Chair of the Housing and Community Safety Sub-Committee following which a review was commissioned.

I am very pleased that the Housing Scrutiny Committee considered this matter with due diligence, determination and in great detail. It took evidence from a wide range of relevant parties and gave due consideration to the exceptional and unusual circumstances around the fire works at the Canada Estate that were carried out in the aftermath of the fatal fire in Lakanal in July 2009.

I am delighted to present the recommendations of the Housing Scrutiny Committee together with the responses from the Housing Services Department. I fully support and endorse all recommendations and the actions contained in the responses. They will go a long way in re-establishing the trust and confidence of residents. The actions will improve the way major works contracting is handled in the future and give greater transparency and access for residents for the whole process of managing, monitoring and delivering major works.

I am also pleased to report that following consultation with the Leaseholders Steering Group, Decent Homes Working Party and a specially arranged forum made up of interested tenants and leaseholders whose homes are in the programme for 2012/13, an agreed process and procedure for all new schemes has been developed. This includes communication during the works programme, resident involvement and agreed information sharing. Final feedback on the documentation was received from the forum on 24 February 2012. These comments and observations have been incorporated into the final document ready for implementation in the 2012/13 programme.

## **RECOMMENDATION**

1. Cabinet to note and agree the responses to the recommendations of the Housing and Community Safety Scrutiny sub-committee's investigation into the Fire Safety Works at Canada Estate.

## BACKGROUND INFORMATION

2. Following concerns raised by residents and leaseholders which were brought to the attention of the Chair of the Housing and Community Safety Scrutiny Sub-Committee, it was agreed that the committee would carry out a review into the Fire Safety Works at Canada Estate. The review focused on:
  - the award of the contract
  - the quality of the work
  - the cost of the work
  - the current state of the work
  - communication between the council and the contractor as the works progressed
  - communication between the council and residents of the estate about any reported problems with the works
3. In November 2011, the Housing and Community Safety sub-committee completed its investigation. Overview and scrutiny committee considered and agreed the final scrutiny report at its meeting on 14<sup>th</sup> November 2011. The report was presented to Cabinet by the Cabinet Member for Housing on 13<sup>th</sup> December 2012 where it was resolved that the Cabinet Member would report back in more detail to a future meeting.
4. As part of their review the sub-committee interviewed all the relevant parties to the previous works involved in the contract.

## RECOMMENDATIONS FROM SUB-COMMITTEE/RESPONSE

5. The sub-committee recognised that there were some exceptional and unusual circumstances around the fire safety works at the Canada Estate; however the sub-committee has in its recommendations identified a number of issues around major works procurement and management which should be addressed in all future major works schemes.
6. The sub-committee made 5 recommendations, the response to which is set out below.
  - a) **A process/procedure understood by officers and contractors should be developed and followed which enables residents (both tenants and leaseholders) to be kept informed of and consulted effectively in the major works procurement. This should include but not be limited by the legal Section 20 requirements.**

### Response

Agreed. As part of our work on Local Offers we have developed a new consultation process called Putting Residents First. This has been developed in partnership with a number of resident groups and clearly sets out how we

will engage and communicate with residents on future major works projects from inception to completion.

Putting Residents First has been developed following extensive consultation and input from tenants and leaseholders. This included feedback from the Leaseholders steering group, the Decent Homes Working Party and a special forum held in January 2012 when we invited every tenant and leaseholder whose home is included in the 2012/13 programme to attend an open meeting and give their views on our proposals. The meeting in January 2012 not only provided useful feedback but everyone who attended the meeting agreed to provide comments on the final drafts of the written documents before they were finalised and sent out. These included:

- Introductory letter to residents at the start of the programme.
- Introductory leaflet describing the works.
- "Putting Residents First" schedule of works.
- Residents Project Team terms of reference.

The 27 point plan of Putting Residents First provides a template for officers, contractors and consultants that sets out very clearly in stages how, from inception to completion, we and our partners will work with residents to deliver major works to their homes. A copy of the plan is attached as Appendix 1

Key to this consultation will be establishing a Residents' Project Team for each major partnering works project. All residents will be informed about the Project Teams when they are invited to the first consultation meeting.

The Project Team will be established at the first consultation meeting and will meet regularly, usually monthly, until the end of the project. Project Teams will normally meet during the day, but every effort will be made to accommodate those who have other commitments and cannot attend during the normal working day. The meetings will normally be held at the contract site office and will include a number of resident representatives who become regularly involved in the project and are able to make constant informed feedback and agree design proposals on behalf of all residents.

Any TMO, Tenants or Residents' Association on the Estate will be specifically invited to attend and work with the Project Team. The Project Team will be the main focus for consultation during the scheme.

Meetings will be organised and serviced by either Southwark's Project Manager or Contracts Manager and will be attended by the Contractor and Southwark's Lead Designer or external consultant as appropriate.

The residents who are on the Project Team should be committed to acting as representatives for residents involved in the scheme, and the following range of duties gives an indication of these, although it is accepted that not every individual will be able to fulfill all of these.

- Regularly attend site meetings.
- Be actively involved as a Project Group member, including reviewing the performance monitors on cost, time and quality.
- Provide local knowledge and advice.



- Contribute towards reviewing Specifications of Works and reviewing products.
- Review works programmes.
- Attend Defect meetings and Estate walkabouts.
- Communicate with other residents.
- Act as a conduit for communications

We recognised that not every resident will want to or have time to be involved in a Residents Project Team so within the Putting Residents First schedule we allow for more one to one sessions including:

- Introductory letters and leaflets
- Public meetings and drop in sessions
- Monthly newsletter including performance reviews of cost, time and quality and coffee sessions
- Mid contract reviews with Contractors satisfaction surveys.
- Estate walkabouts
- Our own tenants satisfaction surveys
- Final project review questionnaire at completion of Defects Liability Period

- b) **The sub-committee has found evidence of poor communications with residents. As part of the project management process for all major works in the future there should be a clearly understood procedure for communication with residents before and during works of this nature. These arrangements should not rely upon casual discovery of information from contractors or contract managers.**

#### Response

Agreed. For all new schemes within the Warm Dry Safe programme and any other major works that are due to commence like Fire Risk Assessments we have put in place a process that will ensure residents are kept up to date during the project. This will start at the beginning of the financial year when all residents in the forthcoming year's programme will receive letters explaining that they are in the programme and should expect a call from our surveyors and contractors to arrange a survey of their homes. At the same time they will receive the names and contact details of the Project Team who will be delivering the works to their homes. Communications will continue throughout the project and include:

- Public meeting and drop in sessions at stages during the project.
- Established Residents Project Teams (RPT).
- Monthly meetings with RPTs which will review progress on site, expenditure and quality issues.
- Monthly newsletters and Coffee sessions.
- Mid contract review.
- Pre handover walk around with the RPT and local councilors.
- Residents satisfaction surveys

- c) **Where there are changes to expected works during the delivery phase the cabinet member should take steps to ensure that these are communicated to affected residents in a sensitive and timely fashion.**

Response

Agreed. In the new warm dry safe programme we are working very closely with our partner contractors to ensure that the specification and scope of works is accurately prepared at the beginning of the works, therefore avoiding any unnecessary changes to works or increase in costs.

Previously contractors were given a specification of works to price and were not given the opportunity to input their own experience and knowledge. Now our partner contractors are involved from the very start, carrying out the initial surveys and given responsibility for preparing feasibilities and design under the watchful eye of our lead designer or external consultants. This process will alleviate some of the historic problems we have encountered where items have been missed in the original specification, the actual specification does not match the work required or the solution was not buildable.

However, there can be occasions when unforeseen works are identified and need to be carried out. In these cases the implications of this will be provided at the monthly site meetings to the RTP and will be reported as part of our own monthly and quarterly returns.

One of the Key Performance Indicators we are putting in place is the comparison between approved costs at Gateway 2 and out-turn costs on completion; these will be monitored and reported at an individual project level and also for the overall programme. We will also be monitoring and reporting the cost between those given to leaseholders at initial Notice of Proposal (NOP) stage compared to final costs.

- d) **Stringent contract management arrangements should be put in place for the future, including detailed delivery timetables and quality expectations. The pro-active management of these contracts must be more rigorously pursued. Penalties should be introduced for contractors who fail to meet these more stringent requirements.**

Response

Agreed. Restructure within the major works team means there is greater focus and responsibility to ensure good project management going forward.

The new structure established project teams responsible for specific contract areas and one individual partnering contractor. The team led by a Project Manager includes a Contract Manager, Customer Relationship Officer, Lead Designer and Clerk of Works. Key to this approach is joint responsibility within the team for all the projects across their geographic area. No one team member works in isolation and every team member is involved in the full range of projects within their team.

We have in place exacting contract management processes that monitor performance against forecast cashflows and delivery against key milestones. Project Managers will use provisions within the contract to implement penalties for poor performance, an example of this would be where a contract is in delay and no extension of time has been granted then LAD's (Liquid & Ascertain Damages) will be deducted from the contract. We also use tenants' feedback on the ground and satisfaction returns to tackle poor performance as it arises

on site. Major Works Teams are responsible for setting the standards and ensuring our contractors maintain these standards throughout the project. We hold a number of meetings with our contracting partners where the standard items of Quality and Delivery are included on the agenda. These meetings include:

- Weekly site operational meetings
- Monthly site progress meetings
- Bi-monthly operational core group meetings
- Quarterly strategic core group meetings

Following a previous Scrutiny Report on security works at Four Squares, a new major works monitoring group was set up, chaired by the Strategic Director for Housing. The group which meets monthly rigorously monitors the delivery of the housing capital programme in terms of expenditure, performance and timeliness of delivery. Quarterly reports are also now presented to the Cabinet Member and reported to Cabinet every six months

- e) **The breakdown of costs on major works is currently only shared with leaseholders. As the cost of major works comes from the Housing Revenue Account, the sub-committee recommends that the same information on costs shared with leaseholders should also be shared with tenants.**

#### Response

Agreed. We want to be open and transparent in all the works we carry out and therefore in future will be making costs available to all residents within the programme. For all new schemes under the Warm Dry Safe programme we will make available a breakdown of costs for all tenants based on the same calculation sheet that is provided to leaseholders at NOP.

#### **Community impact statement**

7. The implementation and delivery of the major works programme is a service that is offered to all tenants and residents of the Borough. The proposed changes to the way the service is monitored and delivered will ensure that residents receive a more customer focused service.

#### **Resource implications**

8. There are no resource implications to delivering the recommendations of this report.

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

9. Emergency fire safety works were carried out to the two blocks immediately prior to the works mentioned above following an instruction from the then Head of Housing Management. As section 20 consultation had not been carried out the Council would have been limited to charging £250 per leaseholder for these works unless dispensation from the statutory consultation requirements was granted by the Leasehold Valuation Tribunal. However, before any application could be made the fire brigade imposed a Notification of Fire Safety Deficiencies on the two blocks, which identified that the repairs carried out were insufficient

and would need to be redone to a higher standard. It was therefore decided that it would be unreasonable to recharge the leaseholders for the initial works. This caused a loss of income to the housing revenue account.

10. Home Ownership Services must be informed where additional works are specified during the course of a contract, or where additional costs might be incurred, so that further section 20 consultation can be carried out with the leaseholders (recommendation 6(c)). Otherwise there is a high risk that the Council will lose the ability to recharge for that aspect of the works/costs. This does form part of the current procedure.
11. In order to construct accurate service charges Home Ownership Services always carries out an analysis of all costs, both rechargeable and non-rechargeable, for major works contracts. These analyses are contained on spreadsheets, copies of which are provided to leaseholders as part of the statutory consultation. Home Ownership Services can easily provide these spreadsheets for further consultation with tenants once the procedures for recommendation 6(e) have been agreed. However, this will not be applicable for any contract where either there are no leaseholders or where leaseholders are not being recharged, and this will have to be taken into consideration when setting those procedures.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Finance Director**

12. The responses to the recommendations of the sub-committee are process and procedure items which have already been put in place or will be put in place at a future date. There will be no financial implications arising out of the implementation of the recommendations as any costs should be contained within the budget available.

## **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Housing and Community Safety Sub-Committee agenda and minutes	160 Tooley Street London SE1 2QH	Sally Masson 020 7525 0324
Cabinet agenda and minutes	160 Tooley Street London SE1 2QH	Paula Thornton/Everton Roberts 020 7525 4395/7221

## **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Putting Residents First

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	
<b>Lead Officer</b>	Gerri Scott, Strategic Director of Housing Services	
<b>Report Author</b>	Dave Markham, Head of Major Works	
<b>Version</b>	Final	
<b>Dated</b>	8 March 2012	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	No	No
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	8 March 2012	

## APPENDIX 1

### Response to the Housing and Community Safety Scrutiny Sub-Committee on the Fire Safety Works at Canada Estate

#### ‘Putting Resident’s First’

15 November 2011

NUMBER	ACTION	DATE	WHO BY	COMMENTS
1	Letter to residents advising them that their home is included in next years programme.		IT	Letter will include broad details of the works to be carried out. PP to Resident Officer (e.g. windows, bathrooms, electrics) but make clear that actual works would be subject to survey.
2	Detailed surveys start		IT and C	
3	First public meeting/ drop in session, Local Councillors invited.		IT and C	Invite RSO’s and where possible make use of mobile office to hold meetings.
4	Residents Project Team established one per works package/contract.		IT & RPT	Terms of reference for these teams are being drafted. These will include meeting frequency and times of meeting to suit the working patterns of the RPT. Works to Street properties will be packaged into groups to facilitate involvement. RO to attend and possibly RSM if larger project, or local concerns.

NUMBER	ACTION	DATE	WHO BY	COMMENTS
5	Draft Specifications/Scope of Works prepared in conjunction with Residents Project Team.		IT & C & RPT	
6	Second Public meeting/ drop in session. Options for specification and scope of work presented for consultation. Local Councillors invited		IT & C & RPT	RO attend
7	Final specification prepared and agreed in conjunction with Residents Project Team		IT & C & RPT	
8	Quantity Surveyor agrees final costing with contractor. Will include some provisional items, risk register and a contingency sum		QS	
9	s20 notices prepared and sent out		HOU	
10	Residents Project Team examines agreed final project costs		IT & PRT & QS	RO attends
11	Drop in session/meeting held for leaseholders		IT & HOU & C & QS	
12	s20 queries responses		HOU	Answers to all questions copied to every leaseholder.
13	Contract/Works Package approved		IT	
14	Pre start on site Public meeting/drop in session.		IT & C & RPT	There maybe an opportunity at this stage to widen the membership involvement of the RPT especially where on larger estates there is phasing on blocks and there could be benefits to have block rep's as works progress. RO attends.
15	Contractor issues introductory booklet		C	
16	Monthly newsletters and coffee sessions.		C & IT	Contractors site office will provide the opportunity to accommodate early and late visitors one day a week. RO to

NUMBER	ACTION	DATE	WHO BY	COMMENTS
				contribute to newsletter.
17	Monthly site meetings with resident reps from Residents Project Team.		C & IT & RPT	
18	Contractors residents satisfaction survey carried out after each block(or part of large block or group of street properties) is completed		C	Results copied to IT & RPT, published in monthly newsletters.
19	Mid contract review, including any residents satisfaction surveys carried out on completed homes.		IT & C & RPT	RO and possibly RSM attend if required.
20	Outstanding works letter goes out to residents two weeks before handover		IT	
21	Walk around with resident reps and local councillors week before handover(Note for street properties, residents should be invited to handover of communal area for their property)		IT & RPT & C	
22	Final Customer Satisfaction Survey carried out		IT	Results copied to RPT.
23	Handover booklet goes out		C	
24	End of Project Review.		IT & C & RPT & HOU & QS	Incorporating lessons learnt session. RO and RSM attends if needed.
25	Defects letter goes out eight weeks before end of DLP		IT	
26	Walk around with resident reps and councillors two weeks before end of DLP		IT & RPT & Local Councillors.	
27	All residents sent a final project review questionnaire after completion of DLP		IT	

Abbreviations used



IT – Investment Team  
RPT – Residents Project Team.  
C – Contractor  
HOU – Home Ownership Unit  
QS – Quantity Surveyor  
DLP – End of defects period

<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Southwark Coordinated Admission schemes for Secondary and Primary Admissions 2013	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Catherine McDonald, Children's Services	

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

Southwark Council is responsible for coordination of applications for admission to all schools in the borough and is signed up to the pan London agreement to deliver this service. The coordinated admissions schemes have been developed to ensure a fair and transparent system to allocate school places at normal point of entry – Reception class and Year 7.

### **RECOMMENDATION**

1. That Cabinet agrees the Secondary and Primary coordinated admissions schemes for 2013 admissions attached as Appendices 1 and 2 of this report respectively.

### **BACKGROUND INFORMATION**

2. Admission arrangements must adhere to the requirements of the School Standards and Framework Act 1998, The School Admissions (Admission Arrangements and Co-Ordination of Admission Arrangements) (England) Regulations 2012 and the School Admissions Code of Practice 2012. These arrangements apply to admission authorities of all maintained schools and academies.
3. The local authority is the admissions authority for Southwark community primary schools and is also responsible for coordinating school admission applications on behalf of all Southwark residents applying for a place at a secondary or primary maintained school/academy in England. This includes admissions at normal point of entry e.g. to primary reception year and secondary Year 7. Arrangements for these coordinated admissions are negotiated and agreed across all 33 London local authorities to form a pan London admissions scheme.
4. Coordination provides families with a single point of application to schools where up to six preferences may be made on a common application form. The local authority is also responsible for confirming a single school offer to each child on offer date which is 1 March for Secondary and 18 April for Primary applications this year. The exception to this coordinated admissions process would be applications to any Free Schools currently being established for September 2012 which were unable to be included in the coordinated admissions process which began in September 2011. Families would be able to apply directly to the Free school after offer date and therefore, become eligible to receive a second offer. Should this situation arise, a separate process will be established between the

local authority and the new school to coordinate the change of offers for families rejecting their offer through coordination and taking up a place Free school place.

5. Admission applications to secondary schools have been successfully coordinated by the local authority for several years. The first year of coordinated admissions for primary schools took place last year for September 2011 admissions.
6. Local authorities like all other admission authorities must determine their final admission to the Secretary of State by April 15 2012 for admissions from September 2013 arrangements even if they have not been consulted on as there has been no change to the arrangements. Local authorities have a duty to publish a public notice in a local newspaper confirming these arrangements and also, where they can be viewed, this will take place in May 2012.

### **KEY ISSUES FOR CONSIDERATION**

7. The School Admissions Codes of Practice sets out requirements for local authorities to provide a system to enable the efficient admission of pupils to schools at normal point of entry (Reception Year and Year 7). A coordinated admissions scheme for 2013 admissions must be in place with details of how this will operate within each local authority
8. Coordinated admissions schemes must enable parents in a home local authority to apply to any school in England and therefore, must set out how information will be received, processed and transferred between the LA, applicants, schools and neighbouring boroughs for secondary primary and in-year admissions. Any offer of a school place must be made by the local authority.
9. Coordinated admission arrangements provide a fair and efficient school admissions process and are able to almost entirely eliminate multiple offers being made to individual families.
10. Local authority officers across London have developed the key principles including a mix of mandatory and optional clauses for each for co-ordinated scheme to be considered and implemented by individual local authorities. Coordinated admission schemes for secondary and primary are attached respectively as Appendices 1 and 2 of this report.
11. The current coordinated admission schemes for secondary and primary admissions have worked well and enabled successful management of school admissions. No changes have been made to these arrangements other than dates throughout the documents to reflect the 2013 academic year and definition changes prescribed in the Code.

### **Secondary coordinated admissions 2012**

12. A total of 2,892 applications were made to Southwark secondary schools for September 2011, including late applications and 423 from out borough residents. This year, for September 2012 admission, we've received 2,441 on time applications from Southwark residents, this number will increase after offer date when out borough applicants are added and late applications are added to the process. Parents and carers are notified of the secondary school offer for their child in a letter that is sent out on 1 March each year.

### **Primary coordinated admissions 2012**

13. The admissions process for all primary reception class applications is underway for entry in September 2012. 3,466 applications were received (on time, Southwark residents only) 2,122 were made on line (61.2% of the total). Parents and carers will be notified of the primary school they have been offered for their child on 18 April 2012.

### **In-year admissions**

14. The local authority has been responsible for coordinating in year admissions to all primary and secondary schools since September 2010. This has been a significant challenge for the LA and schools, largely due to the volume of applications received – 2,312 in year applications were submitted to the LA between 1 September 2011 and 8 February 2012. From September 2013/14 there is no longer a requirement for local authorities to coordinate in year applications. A working group comprising officers and Headteachers has been formed to develop an alternative in year process for Southwark. This will be easier for parents to navigate, be fair, transparent able to keep track of children whilst they are seeking a school place for safeguarding purposes. The new system will be widely publicised for parents/carers once determined and piloted during 2012 in preparation for 2013.

### **Coordination of Applications for Looked After Children**

15. Looked after children remain the highest priority on the admissions criteria for all Southwark Schools in line with the School Admissions Code of Practice. The definition was expanded in the Regulations to include those children who are looked after at the time of their application but who are adopted, made subject to residence or special guardianship orders, before they take up their school place. This definition will apply to 2013-2014 admissions. In January of each year, officers meet to identify applications received for looked after children and track the progress of these applications throughout the primary and secondary coordinated processes. This year, six applications for admission to Southwark secondary schools were received for Looked After Children (in and out borough children). All have been allocated a place at the school of their first preference. By prioritising places for looked after children the local authority is able to provide important support to children in its care and contribute towards their educational achievement.

### **Coordination of school admission applications for Pupils with Statements of SEN**

16. Applications for a secondary school place for pupils with a Statement of special educational needs are processed completely separately from the main coordinated admission arrangements. The SEN team considered 107 secondary transfer applications this year for pupils with a Statement of special educational, families were notified on 15 February of the school places they have been offered for September 2012.

### Community impact statement

17. The Co-ordinated Admissions process is designed to produce fair and equitable access to school places for all children. Allocation of places is delivered through the strict application of admissions and oversubscription criteria of each school through a central pan London computer. Even greater emphasis is now placed on admissions authorities to achieve equity and fair access for all pupils through their admission arrangements through the Code. Additional support is made available to parents who may need support in understanding the application process and selecting schools of their preference through a School Preference Adviser and Parent Partnership service. This involves a significant amount of outreach support and drop in sessions throughout the year at schools and libraries, some for specific EAL communities with interpreters plus weekly drop in at a Southwark one stop shop. Support is also made available on a one to one basis on request and through referrals from schools and other agencies.

### Resource implications

18. All costs associated with the admissions process are chargeable to the Schools Budget and are therefore met from Dedicated Schools Grant (DSG).

### SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

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

19. Cabinet is asked to agree the Secondary, Primary and In Year Co-ordinated Admissions Schemes for 2013.
20. The strategic director of communities, law & governance is of the opinion that the document is compatible with the requirements of the School Admissions Code 2012 and the School Admissions (Admission Arrangements and Co-Ordination of Admission Arrangements) (England) Regulations 2012 and with the Local Authority's Admissions Authority duties.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The School Admissions Code of Practice 2012	160 Tooley Street, London SE1 2QH DfE website	Glenn Garcia 020 7525 2717
The School Standards and Framework Act 1998	160 Tooley Street, London SE1 2QH DfE website	Glenn Garcia 020 7525 2717
School Admissions (Admission Arrangements and Co-Ordination of Admission Arrangements) (England) Regulations 2012	160 Tooley Street, London SE1 2QH DfE website	Glenn Garcia 020 7525 2717

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Southwark Scheme for Co-ordination of Admissions for September 2013 (Secondary)
Appendix 2	Southwark Scheme for Co-ordination of Admissions to reception for September 2013 (Primary)

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Catherine McDonald, Children's Services	
<b>Lead Officer</b>	Romi Bowen, Strategic Director of Children's Services	
<b>Report Author</b>	Glen Garcia, Head of Pupil Access	
<b>Version</b>	Final	
<b>Dated</b>	8 March 2012	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	No
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	8 March 2012	

**PAN-LONDON CO-ORDINATED ADMISSION SYSTEM**

**Southwark Scheme for Co-ordination of Admissions to Year 7 for  
September 2013**

**SECONDARY**

**PAN-LONDON CO-ORDINATED ADMISSION SYSTEM**

**Southwark Scheme for Co-ordination of Admissions to Year 7 for  
September 2013**

**Definitions used in the template schemes**

“the Application Year”	the academic year in which the parent makes an application (i.e. in relation to the academic year of entry, the academic year preceding it).
“the Board”	the Pan-London Admissions Executive Board, which is responsible for the Scheme
“the Business User Guide (BUG)”	the document issued annually to participating LAs setting out the operational procedures of the Scheme
“the Common Application Form”	this is the form that each authority must have under the Regulations for parents to use to express their preferences, set out in rank order
“the Equal Preference System”	the model whereby all preferences listed by parents on the Common Application Form are considered under the over-subscription criteria for each school without reference to parental rankings. Where a pupil is eligible to be offered a place at more than one school within an LA, or across more than one participating LA, the rankings are used to determine the single offer by selecting the school ranked highest of those which can offer a place
“the Highly Recommended Elements”	the elements of the Template Scheme that are not mandatory but to which subscription is strongly recommended in order to maximise co-ordination and thereby simplify the application process as far as possible
“the Home LA”	the LA in which the applicant/parent/carer is resident
“the LIAAG Address Verification Register”	the document containing the address verification policy of each participating LA
“the Local Admission System (LAS)”	the IT module for administering admissions in each LA and for determining the highest offer both within and between participating LAs



“the London E-Admissions Portal”	the common online application system used by the 33 London LAs and Surrey County Council
“the Maintaining LA”	the LA which maintains a school to which an applicant/parent/carer has applied
“the Mandatory Elements”	those elements of the Template Scheme to which authorities <b>must</b> subscribe in order to be considered as ‘Participating Authorities’ and to benefit from use of the Pan-London Register
“the Notification Letter”	the agreed form of letter sent to applicants on the Prescribed Day which communicates any determination granting or refusing admission to a secondary school, which is attached as Schedule 2
“the Prescribed Day”	the day on which outcome letters are posted to parents/carers. 1st March in the year following the relevant determination year except that , in any year in which that day is not a working day, the prescribed day shall be the next working day.
“the Pan-London Register (PLR)”	the database which will sort and transmit application and outcome data between the LAS of each participating LA
“the Pan-London Timetable”	the framework for processing of application and outcome data, which is attached as Schedule 3
“the Participating LA”	any LA that has indicated in the Memorandum of Agreement that they are willing to incorporate, at a minimum, the mandatory elements of the Southwark Scheme presented here.
“the Qualifying Scheme”	the scheme which each LA is required to formulate in accordance with the School Admissions (Co-ordination of Admission Arrangements) Regulations 2008 for co-ordinating arrangements for the admission of children to maintained secondary schools and academies.

**PAN LONDON CO-ORDINATED ADMISSIONS SYSTEM**

**Southwark Scheme for Co-ordination of Admissions to Year 7 in  
September 2013**

*All the numbered sections contained in this scheme are mandatory, except those marked with an\* which are highly desirable.*

**Applications**

1. Southwark LA will advise home LAs of their resident pupils on the roll of Southwark LA's maintained primary schools and academies who are eligible to transfer to secondary school in the forthcoming academic year.
2. Applications from residents of Southwark LA will be made on Southwark LA's Common Application Form, which will be available and able to be submitted on-line. This will include all the fields and information specified in Schedule 1 to this Southwark Scheme. These will be supplemented by any additional fields and information which are deemed necessary by Southwark LA to enable the admission authorities in the Southwark LA area to apply their published oversubscription criteria.
3. Southwark LA will take all reasonable steps to ensure that every parent/carer who is resident in Southwark LA and has a child in their last year of primary education within a maintained school, either in this LA or any other maintaining LA, receives a copy of Southwark LA's admissions booklet and Common Application Form, including details of how to apply online. The admissions booklet will also be available to parents/carers who do not live in Southwark LA, and will include information on how they can access their home LA's Common Application Form.
4. The admission authorities within Southwark LA will not use supplementary information forms except where the information available through the Common Application Form is insufficient for consideration of the application against the published oversubscription criteria. Where supplementary information forms are used by the admissions authorities within Southwark LA, the LA will seek to ensure that these only collect information which is required by the published oversubscription criteria, in accordance with *the School Admissions Code 2012*.
5. Where supplementary information forms are used by admission authorities in Southwark LA, they will be available on Southwark LA's website. Such forms will advise parents and carers that they must also complete their home LA's Common Application Form. Southwark LA's admission booklet and website will indicate which schools in Southwark LA require supplementary forms to be completed and where they can be obtained.

6. Where an admission authority in Southwark LA receives a supplementary information form, Southwark LA will not consider it to be a valid application unless the parent/carer has also listed the school on their home LA's Common Application Form, in accordance with *the School Admissions Code 2012*.
7. \*Applicants will be able to express a preference for six maintained secondary schools or Academies within and/or outside the Home LA (and any City Technology College that has agreed to participate in their LA's Qualifying Scheme).
8. The order of preference given on the Common Application Form will not be revealed to a school within the area of Southwark LA in accordance with *the School Admissions Code 2012*. However, where a parent or carer resident in Southwark LA expresses a preference for schools in the area of another LA, the order of preference for that LA's schools will be revealed to that LA in order that it can determine the highest ranked preference in cases where an applicant is eligible for a place at more than one school in that LA's area.
9. Southwark LA undertakes to carry out the address verification process as set out in its entry in LIAAG Address Verification Register. This will in all cases include validation of resident applicants against Southwark LA's primary school data and the further investigation of any discrepancy. Where Southwark LA is not satisfied as to the validity of an address of an applicant whose preference has been sent to a maintaining LA, it will advise the maintaining LA no later than **12 November 2012**.
10. Southwark LA will confirm the status of any resident child for whom it receives a Common Application Form stating s/he is a 'Child Looked After' and will provide evidence to the maintaining LA in respect of a preference for a school in its area by **12 November 2012**.
11. Southwark LA will advise a maintaining LA of the reason for any preference expressed for a school in its area, in respect of a resident child born outside of the correct age cohort, and will forward any supporting documentation to the maintaining LA by **12 November 2012**.

### **Processing**

12. Applicants resident within Southwark LA must return the Common Application Form, which will be available and able to be submitted on-line, to Southwark LA by **31 October 2012**. However, Southwark LA will publish information which encourages applicants to submit their application by **20 October 2012 (i.e. the Friday before half term)**, to allow it sufficient time to process and check all applications before the mandatory date when data must be sent to the PLR.

13. Application data relating to preferences for schools in other participating LAs will be up-loaded to the PLR by **12 November 2012**. Supplementary information provided with the Common Application Form will be sent to maintaining LAs by the same date.
14. Southwark LA shall, in consultation with the admission authorities within this LA's area and within the framework of the Pan-London timetable in Schedule 3A, determine and state here its own timetable for the processing of preference data and the application of published oversubscription criteria.
15. \*Southwark LA will accept late applications only if they are late for a good reason, deciding each case on its own merits. *Examples of what will be considered as good reason include: when a single parent has been ill for some time, or has been dealing with the death of a close relative; a family has just moved into the area or is returning from abroad (proof of ownership or tenancy of a property within this LA will be required in these cases).* Other circumstances will be considered and each case decided on its own merits.
16. Where such applications contain preferences for schools in other LAs, Southwark LA will forward the details to maintaining LAs via the PLR as they are received. Southwark LA will accept late applications which are considered to be on time within the terms of the home LA's scheme.
17. The latest date for the upload to the PLR of late applications which are considered to be on-time within the terms of the home LA's scheme is **14 December 2012**.
18. Where an applicant moves from one participating home LA to another after submitting an on-time application under the terms of the former home LA's scheme, the new home LA will accept the application as on-time up to **14 December 2012**, on the basis that an on-time application already exists within the Pan-London system.
19. Southwark LA will participate in the application data checking exercise scheduled between **17 December 2012 and 2 January 2013** in the Pan-London timetable in Schedule 3A.
20. All preferences for schools within Southwark LA will be considered by the relevant admission authorities without reference to rank order in accordance with *the School Admissions Code*. When the admission authorities within Southwark LA have provided a list of applicants in criteria order to Southwark LA, this LA shall, for each applicant to its schools for whom more than one potential offer is available, use the highest ranked preference to decide which single potential offer to make. [This is the 'Equal Preference System'.]

21. Southwark LA will carry out all reasonable checks to ensure that pupil rankings are correctly held in its LAS before uploading data to the PLR.
22. Southwark LA will upload the highest potential offer available to an applicant for a maintained school or academy in this LA to the PLR by **30 January 2013**. The PLR will transmit the highest potential offer specified by the Maintaining LA to the Home LA.
23. The LAS of Southwark LA will eliminate, as a Home LA, all but the highest ranked offer where an applicant has more than one potential offer across Maintaining LAs submitting information within deadline to the PLR. This will involve exchanges of preference outcomes between the LAS and the PLR (in accordance with the iterative timetable published in the Business User Guide) which will continue until notification that a steady state has been achieved, or until **12 February 2013** if this is sooner.
24. Southwark LA will not make an additional offer between the end of the iterative process and 1 March 2013 which may impact on an offer being made by another participating LA.
25. Notwithstanding paragraph 24, if an error is identified within the allocation of places at one of Southwark LA's schools, this LA will attempt to manually resolve the allocation to correct the error. Where this impacts on another LA (either as a home or maintaining LA) Southwark LA will liaise with that LA to attempt to resolve the correct offer and any multiple offers which might occur. However, if another LA is unable to resolve a multiple offer, or if the impact is too far reaching, Southwark LA will accept that the applicant(s) affected might receive a multiple offer.
26. Southwark LA will participate in the offer data checking exercise scheduled between **13 and 21 February 2013** in the Pan-London timetable in Schedule 3A.
27. Southwark LA will send a file to the E-Admissions portal with outcomes for all resident applicants who have applied online no later than **27 February 2013**. (33 London LAs & Surrey only).

## Offers

28. Southwark LA will ensure, so far as is reasonably practical, that each resident applicant who cannot be offered a preference expressed on the Common Application Form, receives the offer of an alternative school place. Applicants who did not qualify for any of the schools named on their CAF will be:
  - Notified of the outcome of their application;
  - Advised on the right of appeal for those schools;
  - Advised where possible how to apply for their child's name to be added to the waiting list/s of those schools;
  - Offered a place at a school with a vacancy in Southwark;

- Advised of contact details for neighbouring authorities where alternative vacancies may be available.
29. Southwark LA will inform all resident applicants of their highest offer of a school place and, where relevant, the reasons why higher preferences were not offered, whether they were for schools in the Home LA or in other participating LAs.
  30. Southwark LA's outcome letter will include the information set out in Schedule 2.
  31. On **1 March 2013**, Southwark LA will send by first class post notification of the outcome to resident applicants.
  32. \*Southwark LA will provide primary schools with destination data of its resident applicants by the end of the Summer term 2013.

### **Post Offer**

33. Southwark LA will request that resident applicants accept or decline the offer of a place by **15 March 2013**, or within two weeks of the date of any subsequent offer.
34. Where an applicant resident in Southwark LA accepts or declines a place in a school maintained by another LA by **15 March 2013**, Southwark LA will forward the information to the maintaining LA by **23 March 2013**. Where such information is received from applicants after **15 March**, Southwark LA will pass it to the maintaining LA as it is received.
35. When acting as a maintaining LA, Southwark LA will inform the home LA, where different, of an offer for a maintained school or Academy in Southwark LA's area which can be made to an applicant resident in the home LA's area, in order that the home LA can offer the place.
36. When acting as a maintaining LA, Southwark LA and the admission authorities within it, will not inform an applicant resident in another LA that a place can be offered.
37. When acting as a home LA, Southwark LA will offer a place at a maintained school or Academy in the area of another LA to an applicant resident in its area, provided that the school is ranked higher on the Common Application Form than any school already offered.
38. When acting as a home LA, when Southwark LA is informed by a maintaining LA of an offer which can be made to an applicant resident in Southwark LA's area which is ranked lower on the Common Application Form than any school already offered, it will inform the maintaining LA that the offer will not be made.

39. When acting as a home LA, when Southwark LA has agreed to a change of preference order for good reason, it will inform any maintaining LA affected by the change. In such cases, paragraphs 37 and 38 shall apply to the revised order of preferences.
40. When acting as a maintaining LA, Southwark LA will inform the home LA, where different, of any change to an applicant's offer status as soon as it occurs.
41. When acting as a maintaining LA, Southwark LA will accept new applications (including additional preferences) from home LAs for maintained schools and academies in its area.
42. It is proposed that waiting lists for Southwark schools are maintained only for Year 7 pupils up until **31 August 2013**. During this period any parent/carer must be informed of their ranking on the list and the oversubscription criterion which applies should they request this information.

**PAN-LONDON CO-ORDINATED ADMISSIONS SCHEME  
SCHEDULE 1**

**Minimum Content of Common Application Form for Admissions to  
Year 7 for September 2013**

**Child's details:**

Surname  
Forename(s)  
Middle name(s)  
Date of Birth  
Gender  
Home address  
Name of current school  
Address of current school (if outside home LA)

**Parent's details:**

Title  
Surname  
Forename  
Address (if different to child's address)  
Telephone Number (Home, Daytime, Mobile)  
Email address  
Relationship to child

**Preference details (x 6 recommended):**

Name of school  
Address of school  
Preference ranking  
Local authority in which the school is based

**Additional information:**

Reasons for Preferences (including any medical or social reasons)  
Is the child a 'Child Looked After'? Y/N  
If yes, name of responsible local authority  
Surname of sibling  
Forename of sibling  
DOB of sibling  
Gender of sibling  
Name of school sibling attends

**Other:**

Signature of parent or guardian  
Date of signature



**SCHEDULE 2**  
**Template Outcome Letter for Admissions to Year 7 for September in 2013**

From: Home LA

Date: **1 March 2013**

Dear Parent,

Application for a Secondary School

*I am writing to let you know the outcome of your application for a secondary school. Your child has been offered a place at X School. The school will write to you with further details.*

I am sorry that it was not possible for your child to be offered a place at any of the schools which you listed as a higher preference on your application form. For each of these schools there were more applications than places, and other applicants has a higher priority than your child under the school's published admission criteria.

*Offers which could have been made for any schools which you placed lower in your preference list, were automatically withdrawn under the co-ordinated admission arrangements, as a higher preference has been offered.*

If you would like more information about the reason that your child was not offered a place at any higher preference school, you should contact the admission authority that is responsible for admissions to the school within the next few days. Details of the different admission authorities for schools in the borough of X are attached to this letter. If the school is outside the borough of X, the admission authority will either be the borough in which the school is situated, or the school itself.

You have the right of appeal under the School Standards & Framework Act 1998 against the refusal of a place at any of the schools for which you have applied. If you wish to appeal, you must contact the admission authority for the school within the next few days to obtain the procedure and the date by which an appeal must be received by them.

*You will automatically be accepted for the school you have been allocated.. If you do not wish to accept the place, you will need to let me know what alternative arrangements you are making for your child's education.*

You must contact this office if you wish to apply for any other school, either in this borough or elsewhere.

Your child's name has been placed on the waiting list for any school which was a higher preference on your application form than the school you have been offered. If you need to find out your child's position on the waiting list please contact the admission authority or the borough in which the school is situated.

*Please return the reply slip to me by **15 March 2013**). If you have any questions about this letter, please contact me on \_\_\_\_\_.*

Yours sincerely

*(First preference offer letters should include the paragraphs in italics only)*

**PAN-LONDON CO-ORDINATED ADMISSIONS SCHEME  
SCHEDULE 3A**

**Timetable for Admissions to Year 7 in September 2013**

<b>Fri 20 Oct 2012</b>	Published closing date (Friday before half-term)
<b>Wed 31 Oct 2012</b>	Statutory deadline for receipt of applications
<b>Mon 12 Nov 2012</b>	Deadline for the transfer of application information by the Home LA to the PLR (ADT file).
<b>Fri 14 Dec 2012</b>	Deadline for the upload of late applications to the PLR.
<b>Mon 17 Dec 2012 – Wed 2 Jan 2013</b>	Checking of application data
<b>Wed 30 Jan 2013</b>	Deadline for the transfer of potential offer information from Maintaining LAs to the PLR (ALT file)
<b>Tues 12 Feb 2013</b>	Final ALT file to PLR
<b>Wed 13-Thurs 21 Feb 2013</b>	Checking of offer data
<b>Wed 27 Feb 2013</b>	Deadline for on-line ALT file to portal
<b>Fri 1 Mar 2013</b>	Offer letters posted.
<b>Fri 15 Mar 2013</b>	Deadline for return of acceptances
<b>Fri 23 Mar 2013</b>	Deadline for transfer of acceptances to maintaining LAs

**PAN-LONDON CO-ORDINATED ADMISSION SYSTEM**

**Southwark Schemes for Co-ordination of Admissions to Reception  
for September 2013**

**PRIMARY**

**PAN-LONDON CO-ORDINATED ADMISSION SYSTEM**

**Southwark Scheme for Co-ordination of Reception for  
September 2013**

**Definitions used in the template schemes**

“the Application Year”	the academic year in which the parent makes an application (i.e. in relation to the academic year of entry, the academic year preceding it).
“the Board”	the Pan-London Admissions Executive Board, which is responsible for the Scheme
“the Business User Guide (BUG)”	the document issued annually to participating LAs setting out the operational procedures of the Scheme
“the Common Application Form”	this is the form that each authority must have under the Regulations for parents to use to express their preferences, set out in rank order
“the Equal Preference System”	the model whereby all preferences listed by parents on the Common Application Form are considered under the over-subscription criteria for each school without reference to parental rankings. Where a pupil is eligible to be offered a place at more than one school within an LA, or across more than one participating LA, the rankings are used to determine the single offer by selecting the school ranked highest of those which can offer a place
“the Highly Recommended Elements”	the elements of the Template Scheme that are not mandatory but to which subscription is strongly recommended in order to maximise co-ordination and thereby simplify the application process as far as possible
“the Home LA”	the LA in which the applicant/parent/carer is resident
“the LIAAG Address Verification Register”	the document containing the address verification policy of each participating LA
“the Local Admission System (LAS)”	the IT module for administering admissions in each LA and for determining the highest offer both within and between participating LAs

“the London E-Admissions Portal”	the common online application system used by the 33 London LAs and Surrey County Council
“the Maintaining LA”	the LA which maintains a school to which an applicant/parent/carer has applied
“the Mandatory Elements”	those elements of the Template Scheme to which authorities <b>must</b> subscribe in order to be considered as ‘Participating Authorities’ and to benefit from use of the Pan-London Register
“the Notification Letter”	the agreed form of letter sent to applicants on the Prescribed Day which communicates any determination granting or refusing admission to a primary school, which is attached as Schedule 2
“the Prescribed Day”	the day on which outcome letters are posted to parents/carers. For primary schools: A date determined annually by the Board.
“the Pan-London Register (PLR)”	the database which will sort and transmit application and outcome data between the LAS of each participating LA
“the Pan-London Timetable”	the framework for processing of application and outcome data, which is attached as Schedule 3
“the Participating LA”	any LA that has indicated in the Memorandum of Agreement that they are willing to incorporate, at a minimum, the mandatory elements of the Southwark Scheme presented here.
“the Qualifying Scheme”	the scheme which each LA is required to formulate in accordance with the School Admissions (Co-ordination of Admission Arrangements) Regulations 2008 for co-ordinating arrangements for the admission of children to maintained primary schools and academies.

**PAN- LONDON CO-ORDINATED ADMISSIONS SYSTEM**

**Southwark Scheme for Co-ordination of Admissions to Reception for  
September 2013**

*All the numbered sections contained in this scheme are mandatory, except those marked with an\* which are highly desirable.*

**Applications**

1. Applications from residents of Southwark LA will be made on Southwark LA's Common Application Form, which will be available and able to be submitted on-line. This will include all the fields and information specified in Schedule 1 to this Southwark Scheme. These will be supplemented by any additional fields and information which are deemed necessary by Southwark LA to enable the admission authorities in the LA area to apply their published oversubscription criteria.
2. Southwark LA will take all reasonable steps to ensure that every parent/carer who is resident in Southwark LA and has a child in a nursery class within a maintained school, either in Southwark LA or any other maintaining LA, receives a copy of Southwark LA's admissions booklet and Common Application Form, including details of how to apply online. The admissions booklet will also be available to parents/carers who do not live in Southwark LA, and will include information on how they can access their home LA's Common Application Form.
3. The admission authorities within Southwark LA will not use supplementary information forms except where the information available through the Common Application Form is insufficient for consideration of the application against the published oversubscription criteria. Where supplementary information forms are used by the admissions authorities within Southwark LA, the LA will seek to ensure that these only collect information which is required by the published oversubscription criteria, in accordance with *the School Admissions Code 2012*.
4. Where supplementary information forms are used by admission authorities in Southwark LA, they will be available on this LA's website. Such forms will advise parents that they must also complete their home LA's Common Application Form. Southwark LA's admission booklet and website will indicate which schools in Southwark LA require supplementary forms to be completed and where they can be obtained.
5. Where a school in Southwark LA receives a supplementary information form, Southwark LA will not consider it to be a valid application unless the parent/carer has also listed the school on their home LA's Common Application Form, in accordance with *the School Admissions Code 2012*.

6. \*Applicants will be able to express a preference for up to six maintained primary schools or academies within and/or outside the Home LA .
7. The order of preference given on the Common Application Form will not be revealed to a school within the area of this LA in accordance with *the School Admissions Code 2012*. However, where a parent or carer resident in Southwark LA expresses a preference for schools in the area of another LA, the order of preference for that LA's schools will be revealed to that LA in order that it can determine the highest ranked preference in cases where an applicant is eligible for a place at more than one school in that LA's area.
8. Southwark LA undertakes to carry out the address verification process set out in its entry in the Business User Guide. This will in all cases include validation of resident applicants against Southwark LA's maintained nursery and primary school data and the further investigation of any discrepancy. Where Southwark LA is not satisfied as to the validity of an address of an applicant whose preference has been sent to a maintaining LA, it will advise the maintaining LA no later than **15 February 2013**.
9. Southwark LA will confirm the status of any resident child for whom it receives a Common Application Form stating s/he is a 'Child Looked After' and will provide evidence to the maintaining LA in respect of a preference for a school in its area by **1 February 2013**.
10. Southwark LA will advise a maintaining LA of the reason for any preference expressed for a school in its area, in respect of a resident child born outside of the correct age cohort, and will forward any supporting documentation to the maintaining LA by **1 February 2013**.

### **Processing**

11. Applicants resident within Southwark LA must return the Common Application Form, which will be available and able to be submitted on-line, to this LA by **15 January 2013**.
12. Application data relating to preferences for schools in other participating LAs will be up-loaded to the PLR by **1 February 2013**. Supplementary information provided with the Common Application Form will be sent to maintaining LAs by the same date.
13. Southwark LA shall, in consultation with the admission authorities within this LA's area and within the framework of the Pan-London timetable in Schedule 3B, determine and state here its own timetable for the processing of preference data and the application of published oversubscription criteria.
14. \*Southwark LA will accept late applications only if they are late for a good reason, deciding each case on its own merits. *Examples of what will be considered as good reason include: when a single parent has been ill for some time or has been dealing with the death of a close relative; a family has just*

*moved into the area or is returning from abroad (proof of ownership or tenancy of a property within this LA will be required in these cases). Other circumstances will also be considered and each case decided on its own merits.*

15. Where such applications contain preferences for schools in other LAs, Southwark LA will forward the details to maintaining LAs via the PLR as they are received. Southwark LA will accept late applications which are considered to be on time within the terms of the home LA's scheme.
16. The latest date for the upload to the PLR of late applications which are considered to be on-time within the terms of the home LA's scheme is **15 February 2013**.
17. \*Where an applicant moves from one participating home LA to another after submitting an on-time application under the terms of the former home LA's scheme, the new home LA will accept the application as on-time up to **15 February 2013**, on the basis that an on-time application already exists within the Pan-London system.
18. Southwark LA will participate in the application data checking exercise scheduled between **18 February and 1 March 2013** in the Pan-London timetable in Schedule 3B.
19. All preferences for schools within Southwark LA will be considered by the relevant admission authorities without reference to rank order in accordance with *the School Admissions Code 2012*. When the admission authorities within Southwark LA have provided a list of applicants in criteria order to Southwark LA, this LA shall, for each applicant to its schools for whom more than one potential offer is available, use the highest ranked preference to decide which single potential offer to make. [This is the 'Equal Preference System'.]
20. Southwark LA will carry out all reasonable checks to ensure that pupil rankings are correctly held in its LAS before uploading data to the PLR.
21. Southwark LA will upload the highest potential offer available to an applicant for a maintained school or academy in Southwark LA to the PLR by **18 March 2013**. The PLR will transmit the highest potential offer specified by the Maintaining LA to the Home LA.
22. The LAS of Southwark LA will eliminate, as a Home LA, all but the highest ranked offer where an applicant has more than one potential offer across Maintaining LAs submitting information within deadline to the PLR. This will involve exchanges of preference outcomes between the LAS and the PLR (in accordance with the iterative timetable published in the Business User Guide) which will continue until notification that a steady state has been achieved, or until **22 March 2013** if this is sooner.
23. Southwark LA will not make an additional offer between the end of the iterative process and the 17 April 2013 which may impact on an offer being made by another participating LA.



24. Notwithstanding paragraph 24, if an error is identified within the allocation of places at one of Southwark LA's schools, this LA will attempt to manually resolve the allocation to correct the error. Where this impacts on another LA (either as a home or maintaining LA) Southwark LA will liaise with that LA to attempt to resolve the correct offer and any multiple offers which might occur. However, if another LA is unable to resolve a multiple offer, or if the impact is too far reaching, Southwark LA will accept that the applicant(s) affected might receive a multiple offer.
25. Southwark LA will participate in the offer data checking exercise scheduled between **25 March and 11 April 2013** in the Pan-London timetable in Schedule 3B.
26. Southwark LA will send a file to the E-Admissions portal with outcomes for all resident applicants who have applied online no later than **12 April 2013**. (33 London LAs & Surrey only).

### Offers

27. Southwark LA will ensure, so far as is reasonably practical, that each resident applicant who cannot be offered a preference expressed on the Common Application Form, receives the offer of an alternative school place. Applicants who did not qualify for any of the schools named on their CAF will be:
  - Notified of the outcome of their application
  - Advised on the right of appeal for those schools
  - Advised where possible how to apply for their child's name to be added to the waiting list/s of those schools
  - Offered a place at a school with a vacancy in Southwark
28. Southwark LA will inform all resident applicants of their highest offer of a school place and, where relevant, the reasons why higher preferences were not offered, whether they were for schools in the Home LA or in other participating LAs.
29. Southwark LA's outcome letter will include the information set out in Schedule 2.
30. Southwark LA will, on **17 April 2013**, send by first class post notification of the outcome to resident applicants. (In subsequent years, this date will be substituted for the date prescribed by the Board, which will be set taking into account the statutory requirement for data to be exchanged between LAs by 31 March and the dates set for public holidays and the school holiday period).
31. \*Southwark LA will provide nursery and primary schools with destination data of its resident applicants by the end of the Summer term 2013.

**Post Offer**

32. Southwark LA will request that resident applicants accept or decline the offer of a place by **2 May 2013**, or within two weeks of the date of any subsequent offer.
33. Where an applicant resident in Southwark LA accepts or declines a place in a school maintained by another LA by **2 May 2013**, Southwark LA will forward the information to the maintaining LA by **16 May 2013**. Where such information is received from applicants after **2 May**, Southwark LA will pass it to the maintaining LA as it is received.
34. When acting as a maintaining LA, Southwark LA will inform the home LA, where different, of an offer for a maintained school or Academy in Southwark LA's area which can be made to an applicant resident in the home LA's area, in order that the home LA can offer the place.
35. When acting as a maintaining LA, Southwark LA and the admission authorities within it, will not inform an applicant resident in another LA that a place can be offered.
36. When acting as a home LA, Southwark LA will offer a place at a maintained school or Academy in the area of another LA to an applicant resident in its area, provided that the school is ranked higher on the Common Application Form than any school already offered.
37. When acting as a home LA, when Southwark LA is informed by a maintaining LA of an offer which can be made to an applicant resident in this LA's area which is ranked lower on the Common Application Form than any school already offered, it will inform the maintaining LA that the offer will not be made.
38. When acting as a home LA, when Southwark LA has agreed to a change of preference order for good reason, it will inform any maintaining LA affected by the change. In such cases, paragraphs 36 and 37 shall apply to the revised order of preferences.
39. When acting as a maintaining LA, Southwark LA will inform the home LA, where different, of any change to an applicant's offer status as soon as it occurs.
40. When acting as a maintaining LA, Southwark LA will accept new applications (including additional preferences) from home LAs for maintained schools and academies in its area.
41. It is proposed that waiting lists for Southwark schools are maintained only for Reception pupils up to **31 August 2013**. During this period parents and carers must be informed of their ranking on the list and the oversubscription criterion which applies to their child's application should they request this information.

**PAN-LONDON CO-ORDINATED ADMISSIONS SCHEME  
SCHEDULE 1**

**Minimum Content of Common Application Form for Admissions to  
Reception for September 2013**

**Child's details:**

Surname  
Forename(s)  
Middle name(s)  
Date of Birth  
Gender  
Home address  
Name of current school  
Address of current school (if outside home LA)

**Parent's details:**

Title  
Surname  
Forename  
Address (if different to child's address)  
Telephone Number (Home, Daytime, Mobile)  
Email address  
Relationship to child

**Preference details (x 6 recommended):**

Name of school  
Address of school  
Preference ranking  
Local authority in which the school is based

**Additional information:**

Reasons for Preferences (including any medical or social reasons)  
Is the child a 'Child Looked After'? Y/N  
If yes, name of responsible local authority  
Surname of sibling  
Forename of sibling  
DOB of sibling  
Gender of sibling  
Name of school sibling attends

**Other:**

Signature of parent or guardian  
Date of signature

## SCHEDULE 2

### Template Outcome Letter for Admissions to Reception in 2013

From: Home LA

Date: **17 April 2013**

Dear Parent,

Application for a Primary School

*I am writing to let you know the outcome of your application for a primary school. Your child has been offered a place at X School. The school will write to you with further details.*

I am sorry that it was not possible for your child to be offered a place at any of the schools which you listed as a higher preference on your application form. For each of these schools there were more applications than places, and other applicants has a higher priority than your child under the school's published admission criteria.

*Offers which could have been made for any schools which you placed lower in your preference list, were automatically withdrawn under the co-ordinated admission arrangements, as a higher preference has been offered.*

If you would like more information about the reason that your child was not offered a place at any higher preference school, you should contact the admission authority that is responsible for admissions to the school within the next few days. Details of the different admission authorities for schools in the borough of X are attached to this letter. If the school is outside the borough of X, the admission authority will either be the borough in which the school is situated, or the school itself.

You have the right of appeal under the School Standards & Framework Act 1998 against the refusal of a place at any of the schools for which you have applied. If you wish to appeal, you must contact the admission authority for the school within the next few days to obtain the procedure and the date by which an appeal must be received by them.

*Your offer has been automatically accepted. If you do not wish to accept the place, you will need to let me know what alternative arrangements you are making for your child's education.*

You must contact this office if you wish to apply for any other school, either in this borough or elsewhere.

Your child's name has been placed on the waiting list for any school which was a higher preference on your application form than the school you have been offered. If you need to find out your child's position on the waiting list please contact the admission authority or the borough in which the school is situated..

*Please return the reply slip to me by **2 May 2013**.. If you have any questions about this letter, please contact me on \_\_\_\_\_.*

Yours sincerely

*(First preference offer letters should include the paragraphs in italics only)*

**PAN-LONDON CO-ORDINATED ADMISSIONS SCHEME  
SCHEDULE 3B**

**Timetable for Admissions to Reception for September 2013**

<b>Tue 15 Jan 2013</b>	Statutory deadline for receipt of applications
<b>Fri 1 Feb 2013</b>	Deadline for the transfer of application information by the Home LA to the PLR (ADT file)
<b>Fri 15 Feb 2013</b>	Deadline for the upload of late applications to the PLR.
<b>Mon 18 - Fri 22 Feb 2013</b>	Checking of application data
<b>Mon 18 Mar 2013</b>	Deadline for the transfer of potential offer information from the Maintaining LAs to the PLR (ALT file).
<b>Fri 22 Mar 2013</b>	Final ALT file to PLR
<b>Mon 25 Mar-Thur 11 Apr 2013</b>	Checking of offer data
<b>Fri 12 Apr 2013</b>	Deadline for on-line ALT file to portal
<b>Wed 17 April 2013</b>	Offer letters posted.
<b>Thurs 2 May 2013</b>	Deadline for receipt of acceptances
<b>Thurs 16 May 2013</b>	Deadline for transfer of acceptances to maintaining LAs

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Admission arrangements for Community Primary Schools, Nursery Schools and Classes - September 2013	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Catherine McDonald, Children's Services	

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

The local authority is responsible for admission arrangements for all community primary schools in the Borough. We have a duty to ensure these arrangements are fair, clear and equitable to enable families to access the schools of preference for their children. Southwark's arrangements worked successfully last year and the criteria used are identical to that of our neighbouring boroughs, Lewisham and Lambeth. There are no changes proposed to the admission arrangements for 2013.

## **RECOMMENDATION**

1. That Cabinet agrees the community primary schools, nursery schools and nursery classes admissions criteria for 2013 attached as Appendix 1.

## **BACKGROUND INFORMATION**

2. The Council is the admission authority for community primary schools, nursery schools and nursery classes within the London Borough of Southwark.
3. Nursery schools and classes have admission arrangements which are completely separate from the coordinated admission arrangements in place for primary schools. Applications for places at nursery schools and classes are made to each school, assessed against the agreed admissions criteria and allocated directly to parents and carers for their children.
4. Local authorities have a duty to coordinate school admissions to all maintained schools in its area including academies and free schools. This provides families with a single point of application to schools where up to six preferences may be made on a common application form. The local authority is also responsible for confirming a single school offer to each child on offer date which is 18 April this year. The exception to this coordinated admissions process would be applications to any Free Schools currently being established for September 2012 which were unable to be included in the coordinated admissions process which began in September 2011. Families would be able to apply directly to the Free school after offer date and therefore, become eligible to receive a second offer. Should this situation arise, a separate process will be established between the local authority and the new school to coordinate the change of offers for families rejecting their offer through coordination and taking up a place Free school place.

5. A new School Admissions Code of Practice (the Code) which applies to all maintained schools and academies, came into force on 1 February 2012. Admission authorities are required to act in accordance with all mandatory provisions contained in the Code.
6. Admission arrangements must also adhere to the requirements of the School Standards and Framework Act 1998, the School Admissions (Admission Arrangements and Co-Ordination of Admission Arrangements) (England) Regulations 2012 (the "Regulations").and the School Admissions (Infant Class Sizes) (England) Regulations 2012.
7. Admission authorities are now required to consult on their admission arrangements at least once every seven years if there are no changes - September 2013 is the starting point. There are no changes to the admission arrangements proposed for 2013 arrangements they can now remain in place (without change) until 2020 however, they must be confirmed to the Secretary of State by April 15 each year. Should any changes to these arrangements be proposed within the seven year period, consultation on these proposals will be required.

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

8. Oversubscription criteria for schools must be clear, fair and objective. The Code provides guidance on what are and are not acceptable criteria to use in setting admission arrangements and prescribes which are mandatory or recommended as good practice.
9. Children in public care (Looked After Children) must be given top priority in their over-subscription criteria. The definition of looked after children has been extended in the Regulations and the Code to include children who were looked after at the time of their application but ceased to be so because they were adopted, made subject of a special guardianship order, or the subject of a residence order. The Code makes it very clear that this group of children is especially disadvantaged, often with low average levels of attainment' not least as a result of 'frequent changes of school because their care placements change. This year, six applications for admission to Southwark secondary schools were received for Looked After Children (in and out borough children). All have been allocated a place at the school of their first preference. By prioritising places for looked after children the local authority is able to provide important support to children in its care and contribute towards their educational achievement.
10. Southwark's admission arrangements for community primary schools have been updated to reflect the mandatory change detailed in 8, dates have been changed to reflect the 2013 academic year – no changes to the arrangements have been made other than to clarify information where deemed necessary to do so. These arrangements have been available for viewing on the School Admissions pages of Southwark Council's website. These arrangements will be confirmed to the Secretary of State by 15 April 2012 and published in the Starting Primary booklet for September 2013 along with details of the admissions criteria for all Southwark primary schools which is a statutory requirement. Many parents/carers will use this publication as a main source of information when selecting a nursery school, nursery class or primary school.

### **Coordinated primary admissions**

11. The coordinated primary school admissions process is underway across London for children to be admitted to Reception class in September 2012. Families make a single application to their home borough for up to six schools of their preference England-wide seamlessly through the co-ordinated process. On National Offer day they will receive a single offer of a primary school place.
12. A total of 3,466 on-time primary school applications have been received, of this number, 2,122 (61.2%) applications were made online. This is an increase of 239 on time applications from last year where 3,229 were received (58% online). To help cater for this increase in demand, seven primary schools will have additional capacity which will supplement existing places across the borough. There will be 30 places each at Albion, Bellenden, Bessemer and Ivydale and 15 places each at Charles Dickens, Grange and Robert Browning. Parents and carers were able to express up to six school preferences on their application forms and will be offered the highest preference possible through the pan London system. Offer letters will be sent to parents and carers on 18 April 2012.

### **Community impact statement**

13. The co-ordinated process for primary admissions is designed to produce fair and equitable access to school places for all children. Allocation of places is delivered through strict application of admissions and oversubscription criteria of each school across Southwark through a central (pan London) computer. Additional support is provided to families that find it difficult to navigate the admissions system through the School Preference Adviser and Parent Partnership service. This involves a significant amount of outreach support and drop in sessions throughout the year at schools and libraries, some for specific EAL communities with interpreters plus weekly drop in at a Southwark one stop shop.

### **Resource implications**

14. All costs associated with the admissions process are chargeable to the Schools Budget and, are, therefore, met from Dedicated Schools Grant (DSG).

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

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

15. Cabinet is asked to agree the Admissions Criteria for 2013 for Primary Community and Nursery schools and Nursery Classes, which is unchanged from the previous year save for changes made to the expansion of the definition of looked after children, and the inclusion of relevant 2013 key dates. The Department of Education on publication of its draft Code stated that the changes outlined above did not necessitate consultation. However, cabinet is asked to note that the arrangements have been published on the council's website since January 2012 subject to cabinet approval.
16. Cabinet is advised that all school admissions arrangements are governed by the School Standards and Framework Act 1998, and associated Regulations and the School Admissions Code of Practice 2012 as stated within the body of the document.



17. Having reviewed the document, the strategic director of communities, law & governance is of the opinion that the proposed criteria meet the Local Authority's statutory obligations in relation to the relevant legislation.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The School Standards and Framework Act 1998	160 Tooley St London SE1 2QH DfE website	Glenn Garcia 020 7525 2717
The School Admissions (Admission Arrangements and Co-Ordination of Admission Arrangements) (England) Regulations 2012	160 Tooley St London SE1 2QH DfE website	Glenn Garcia 020 7525 2717
The School Admissions Code of Practice 2012	160 Tooley St London SE1 2QH DfE website	Glenn Garcia 020 7525 2717

## APPENDICES

No.	Title
Appendix 1	Southwark Community Primary Schools, Nursery Schools and Classes Oversubscription Criteria for September 2013

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Catherine McDonald, Children's Services	
<b>Lead Officer</b>	Romi Bowen, Strategic Director of Children's Services	
<b>Report Author</b>	Glen Garcia, Head of Pupil Access	
<b>Version</b>	Final	
<b>Dated</b>	21 February 2012	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	No
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		8 March 2012

## Appendix 1

## Southwark Community Primary Schools, Nursery Schools and Classes: Oversubscription Criteria for September 2013

<b>1. Southwark Community Primary Schools (Reception Year)</b>
<b>Admission Number: see attached list</b>
<b>A child with a statement of special educational needs whose statement names the school must be admitted to the school in accordance with section 324 of the Education Act 1996. This is a separate process from the coordinated admission arrangements.</b>

### 1.1 Oversubscription criteria (for all years excluding nursery)

In the event of there being more applications than places available, places will be allocated in the following order of priority:

- (i) Children in public care (Looked After Children) and children who were looked after but ceased to be so because they were adopted (or became subject to a residence order or special guardianship order) [see note (a)]
- (ii) Children with siblings who are already on roll at the school and will still be on roll at their date of entry [see note b]
- (iii) Children with exceptional medical, social or psychological needs, where it is agreed by the Local Authority ["LA"] and the headteacher that these can best be addressed at a particular school [see note c]
- (iv) Children living nearest to the school as measured by a straight line from the child's home to the main school gate [see note d]

#### Notes

- (a) A 'looked after child' is a child who is (a) in the care of a local authority, or (b) being provided with accommodation by a local authority in the exercise of their social services functions (see definition in Section 22(1) of the Children Act 1989) at the time of making an application to a school.
- (b) Sibling includes full, half, step, foster and adopted brother or sister living in the same family unit and at the same home address as the child.

The home address is where the parent/carer lives and the child permanently resides unless otherwise directed by a Court Order. This will also apply to informal care arrangements. Where a child spends time with both parents/carers in separate homes and both have parental responsibility, the school will need to establish where the majority of school nights (Sunday to Thursday) are spent. This will then be treated as the home address.

Siblings attending the nursery or in Year 6 who will be transferring to secondary school will not be regarded as a sibling under this criterion.

- (c) Supporting evidence to substantiate that the child or their family has a medical, social or psychological need must be provided at the time of application. The evidence must be in a written format and should set out the reasons why, in their view, a particular school is the most suitable and the difficulties that would be caused if the child had to attend another school.

This evidence must be current and either from the child's registered general practitioner or any another relevant qualified professional that the child has been referred to and/or who is providing direct care/support/treatment to the child on an ongoing basis in their professional capacity e.g. a child or educational psychologist, a child psychiatrist, an orthopaedic consultant or a social worker.

- (d) The LA uses a Council approved Geographical Information System (GIS) to calculate the home to school distance measurements. This distance cannot be compared to one calculated using any personal or online GIS software such as Satellite Navigation Systems or Google maps as they generally use the driving routes and may/will not include Southwark address points.

This system calculates the distance in miles to three decimal places. For calculation purposes, the LA uses the unique property reference number with corresponding easting and northing grid references for the home address and the school as defined by the Council's Local Land and Property Gazetteer data.

If a child lives in a block of flats where a communal entrance is used, the LA will use the grid references for the block, not for the individual flat. When dealing with multiple applications from a block of flats to the same community school, lower door numbers will take priority

- (e) Tie break -Where a school becomes oversubscribed once all the criteria have been applied, places will be offered to children living nearest to the school measured by a straight line as described under criterion 4. If however there is a tie break lots will be drawn to decide which child is offered a place.
- (f) A child's attendance at a co-located nursery class does not guarantee admission to the school for primary education. A separate application must be made for transfer from nursery to primary school.
- (g) Multiple births – if only one place is available at the school and the next child who qualifies for a place is one of multiple birth siblings, the LA will request that community schools go over their published admission number to accommodate all applying siblings.

## **1.2 Proof of address**

Any offer of a school place will be conditional until proof of address has been provided within 15 days of the date of the offer of the place. Original copies of the following documentation will be required:

- Child benefit documentation;
- Council tax bill; and
- One other proof of address such as a bank statement, TV licence or credit/store card statement

Occasionally, if the LA has reason to suspect that a family does not live at the address stated on their application an investigation will be carried out. Should the LA discover that a parent has stated a fraudulent address the offer of a school place will be withdrawn.

## **1.3 Dates of entry**

All children within the reception year group will be offered a place in a primary school for September 2013. Parents of children who are offered a school place before they are of compulsory school age may request to defer their child's entry until later in the school year. Where entry is deferred, the child's school place will be held and not be offered to another child. Parents will not however be able to defer entry beyond the beginning of the term after the child's fifth birthday, nor beyond the academic year for which the original application was accepted.

## **1.4 Waiting lists**

Parents/carers can apply to have their child placed on the waiting list for any oversubscribed community school in Southwark.

The LA will hold waiting lists for all oversubscribed community schools throughout the year.

Any parent/carer wishing to know of their child's ranking on the waiting list and the criteria that applies to them has the right to be informed should they request this information.

## **1.5 Capacity of primary school places**

The London Borough of Southwark has experienced an increase in demand for places. This growth is forecast to continue and will require an increase to the number of forms of entry provided in Southwark's primary schools. We aim to have finalised the locations of additional forms of entry for September 2013 later in 2012. We will publicise these on our website ([www.southwark.gov.uk](http://www.southwark.gov.uk)) and in our libraries.

**1.6 Community Primary Schools – September 2013 intake**

<b>SCHOOL</b>	<b>PRIMARY ADMISSION LIMIT</b>
Albion (JI)	30
Alfred Salter (JI)	60
Bellenden (JI)	30
Bessemer Grange (JI)	60
Brunswick Park (JI) <sup>1</sup>	75
Camelot (JI)	75
Charles Dickens (JI)	45
Cobourg (JI)	60
Comber Grove (JI)	45
Crampton (JI)	30
Crawford (JI)	60
Dog Kennel Hill (JI)	60
Gloucester (JI)	60
Goodrich (JI)	90
Goose Green (JI)	60
Grange (JI)	45
Heber (JI)	60
Hollydale (JI)	45
Ilderton (JI)	60
Ivydale (JI)	60
John Donne (JI)	60
John Ruskin (JI) <sup>2</sup>	58
Keyworth (JI)	60
Langbourne (JI)	30
Lyndhurst (JI)	60
Michael Faraday (JI)	60
Oliver Goldsmith (JI)	60
Phoenix (JI)	60
Pilgrims Way (JI)	30
Riverside (JI)	45
Robert Browning (JI)	45
Rye Oak (JI) <sup>1</sup>	60
Rotherhithe (JI)	60
Snowsfields (JI) <sup>1</sup>	30
Southwark Park (JI)	60
Tower Bridge (JI)	30
Townsend (JI)	30
Victory (JI)	30

**1.7 Academy Primary School September 2013 intake\***

Globe Academy	60
Harris Academy Peckham Park	75 (60)**
Dulwich Hamlet (J)	90
Redriff (Jl) <sup>1</sup>	60

**1.8 Free Schools Primary – September 2013 intake\***

SCHOOL	PRIMARY ADMISSION LIMIT
Harris Primary Free School	60

**1.9 Voluntary Aided Primary Schools – September 2013 intake\***

SCHOOL	PRIMARY ADMISSION LIMIT
Boutcher C of E	30
Dulwich Village C of E	90
English Martyrs RC	60
Peter Hills with St Mary's & St Paul's C of E	30
Saint Joseph's Catholic, Borough	30
St Anthony's RC	60
St Francesca Cabrini RC	60
St Francis RC	60
St George's C of E	30
St George's Cathedral RC	60
St James' C of E	60
St James the Great RC	30
St John's C of E	30
St John's RC	30
St John's & St Clement's C of E	60
St Joseph's RC, George Row	45
St Joseph's RC, Gomm Road	30
St Joseph's RC Infants	60
St Joseph's RC Juniors <sup>3</sup>	60
St Jude's C of E	30
St Mary Magdalene C of E	30
St Paul's C of E	45
St Peter's C of E	30
The Cathedral School of St Saviour & St Mary Overie	30

**1.10 Foundation Primary Schools – September 2013 intake\***

<b>SCHOOL</b>	<b>PRIMARY ADMISSION LIMIT</b>
Charlotte Sharman	60
Friars	30
Surrey Square Primary	60

<sup>1</sup> These schools have a designated ASD Base. Places at the Base are reserved for children with autism who have a statement of special educational needs, but who may benefit from inclusion in a mainstream school.

<sup>2</sup>John Ruskin: In addition to the 58 places, 2 places are allocated to children accessing the specialist support provided.

<sup>3</sup> Admission Limit for Year 3.

\* Please note that Academies, Voluntary Aided, Foundation and Free schools may consult separately on their admission number for 2013/14 which will supersede the information above.

\*\* The Academy is currently consulting to become a 60 place academy in 2013.

Following the consultation on admission arrangements for 2012, Keyworth Primary School increased from 45 to 60 places and Townsend Primary School decreased from 45 to 30 places.

## 2. Southwark Community Schools Nursery Classes

### 2.1 Oversubscription criteria for nursery classes

- (i) Children in public care (looked after children);
- (ii) Children with educational, medical or social needs where professional advice indicates that placement would be beneficial; this includes children with a statement of special educational needs which names the nursery class;
- (iii) Children who will have a brother or sister attending the school at the time of entry;
- (iv) Children for whom it is their nearest maintained nursery class or nursery school.

#### **Note**

Schools close to the Southwark border may, if they wish, delete reference to Southwark residents if they normally and regularly admit children to the nursery class who live in neighbouring boroughs.

Where children are cared for by a local authority registered childminder, parents/carers can opt to have the childminder's address as the point from which distance is measured. However, some schools have opted not to include this in their admissions criteria.

In both of the above instances parents/carers should request further information from the school(s).

**NOTE: THESE EXCEPTIONS DO NOT APPLY FOR APPLICATIONS TO INFANT/JUNIOR CLASSES**



### 3. Southwark Nursery Schools

#### 3.1 Admission Number

Dulwich Wood	80 full time equivalent
The Grove	60 full time equivalent
Kintore Way	120 full time equivalent
Nell Gwynn	140 full time equivalent
Ann Bernadt	80 full time equivalent

#### 3.2 Oversubscription Criteria

In the event of there being more applications than places available, priority will be given to children who are living in Southwark. Of these children places will be allocated in the following order:

- (i) Children in public care (looked after children)
- (ii) Children with educational, medical or social need where a professional review indicates that placement would be beneficial
- (iii) Children who will have a brother or sister attending the nursery at the time of entry
- (iv) Children for whom it is their nearest maintained nursery class or nursery school
- (v) Age – in order to maintain a balance of 3+ and 4+ children

For children who are cared for by a local authority registered child minder, families can opt to have the distance between the childminder's home and the school measured, rather than the home address if they prefer.

Where places remain available after all Southwark applicants have been allocated places, the above criteria are applied, in the same order, to out-borough applications.

#### 3.3 Proof of Address

When offered a place at a school, the offer will be conditional until proof of address has been given. Original copies of the following documentation will be required:

- child benefit documentation
- council tax bill
- one other from bank statement, TV licence, credit card or store card statement Proof of address must be supplied within 15 days of the date of the offer of a place.

Occasionally we have reason to suspect that a family does not live at the address stated. If this is the case, we will carry out an investigation. Should we discover that a parent is making a fraudulent claim the offer of a place may be withdrawn.

### **3.4 Application Lists**

- Each Nursery School maintains application lists
- Places are allocated for admissions in September and January of each year – in line with the admission criteria.
- As vacancies arise during the course of the year, places are allocated from those applications remaining in line with the admission criteria.

### **3.5 Application Procedures and Timescales**

- Applications for a nursery place can be made at anytime after the child's second birthday
- Children whose third birthday falls between 1 March and 31 August, who can be offered a place, will receive the offer in June for a September start date.
- Children whose third birthday falls between 1 September and 28(or 29) February, who can be offered a place, will receive the offer in November for a January start date.
- Every child starts at nursery school on a part time basis.

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - Procurement Strategy Approval Parking and Traffic Enforcement Services Contract	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Barrie Hargrove, Transport, Environment and Recycling	

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

This report asks the cabinet to approve the procurement of three new contracts for parking services. I am satisfied that in agreeing this report cabinet will be making provision for the council to secure a contract which will both reduce costs and improve its current services in the long term.

### **RECOMMENDATION**

1. That the cabinet approve the procurement strategy outlined in this report for the parking and traffic enforcement services contract.

### **BACKGROUND INFORMATION**

2. The range of services currently delivered in the existing parking and traffic contracts include:
  1. Parking and Traffic Enforcement Contract
    - Deployment of on-foot civil enforcement officers (CEO)
    - Deployment of mobile civil enforcement officers, including enforcement on the council's housing estates
    - School crossing patrols
    - CCTV parking and traffic enforcement
  2. Vehicle removal and car pound contract
    - Removal and relocation of vehicles
    - Car pound operations
    - Estate parking enforcement
  3. Business Support Contract
    - Parking back office software supply and maintenance
    - Managing Penalty Charge Notice (PCN) payments and appeals
    - Managing parking permits
    - Cashless pay by mobile parking.
3. The current contracts were let in March 2001 with the contract starting on 01 July 2001 for a period of ten years with potential break points that the Council did not activate. The Cabinet approved a report Gateway 1 parking procurement strategy on 21 September 2010 which included an options appraisal for the future parking contract. This report resulted in the Council undertaking soft

market testing and discussing options for a joint contract with other local authorities.

4. A Gateway 1 and 2 report extending the Council's contract arrangements with its current contractor APCOA parking was approved by cabinet on 21 June 2011 and extended the contract arrangements for 12 months with the option of extending for a further 6 months, to allow sufficient time for the completion of the new tender process. Should this report be agreed a further Gateway 3 report taking the 6-month extension will be prepared.
5. The Council is to procure a replacement contract; details of the rationale for this and the implications of doing so are set out in the body of this report. As a result of extensive market testing in 2010/11, the market indicated that contracts with a minimum of three year extension periods allowed for the purchase of replacement on-street equipment to be written off over that period. We therefore propose a 4 year contract with a 3 year extension.
6. The current contract cost per annum is £5.47 million. The estimated annual cost of the new contract is £5.09 million for a period of seven years making a contract value of £35.63 million.

## **KEY ISSUES FOR CONSIDERATION**

### **Summary of the business case/justification for the procurement**

7. The Council is required by the Department for Transport to take on powers initially under the Road Traffic Act 1991 as amended and then Traffic Management Act 2004 to provide parking and traffic enforcement from April 1994.
8. In order to effectively enforce parking and traffic restrictions in Southwark as well as provide the school crossing patrol service, our current contractor employs some 193 staff members split as follows:
  - 85 CEOs
  - 44 CEOs, drivers and customer service staff providing clamp (Estates only), removal services on the highway, our private land (Estates) and deregulated car parks.
  - 50 part time School Crossing Patrols officers
  - 14 customer service staff providing IT, permit and correspondence service.

### **Market considerations**

9. There are four main contractors who hold all the contracts in London local authorities. Of these four, three have been providing parking services for more than ten years. In addition there are two smaller companies in the market.
10. There are no framework agreements available or other pan-London contracts that Southwark can be part of. Legal advice shows that it is possible for a Local Authority to allow another local authority to enforce and manage parking on their behalf but a joint approach requires one authority to pass all its enforcement services to another.

11. Officers have undertaken extensive market testing with the main UK parking enforcement suppliers. This soft market testing was carried out in collaboration with Lewisham Council's parking services. It was clear from this market testing that there is a good deal of interest both in the individual Council's service contracts as well as a joint collaborative approach. The market testing also highlighted that the current providers of services would prefer a single contract covering all parking activities.

#### **Additional duties of the contractor**

12. Discussions that have taken place with service providers have indicated that there are currently a number of services carried out by the client which could be provided by the parking contractor. Accordingly tenderers will be required to price additional services as listed below which are not provided directly by the contractor currently:
- Parking infrastructure
  - Parking Representations and traffic appeals to the parking adjudicator
  - A wider role for CEOs.

#### **Maintenance of the parking infrastructure**

13. Currently the contractor is not responsible for maintenance of the parking infrastructure on street, the signs and lines which enable parking enforcement to take place. By making the contractor responsible not just for the delivery of the front line service but also the maintenance of items which make that service deliverable the contractor will have a very clear motivation to maintain the signs and lines to a high level and the service will be seamless.

#### **All formal appeals and appeals to parking and traffic parking adjudicator.**

14. The current parking contractor responds to all informal appeals against pcn's (approximately 12,000 p.a). All formal appeals are referred to the council's parking client team to undertake a review of documentation and evidence and communication with the customer prior to issuing a formal decision. This team consists of five staff and one manager and deals with approximately 13,000 cases p.a. Should the customer appeal the Council's decision to the London Parking Adjudicator, the team also deal with providing evidence to the tribunal (PATAS) approximately 3,000 p.a.. There are potential cost savings from giving greater responsibility to the contractor for the administration of this process, with the Council's client team retaining the formal legal responsibility for the appeal decision. In order to explore the scale of potential savings tenders will be sought for this service based upon either the Council retaining the service or placing it with the contractor.

#### **Wider role for CEO's**

15. .A wider role for CEOs was discussed in detail in the market testing which took place in December 2010. All of the service providers felt that value could be added through the expansion of the CEO role to include on-street licensing activities. It is proposed that the Council would restrict these licensing activities to reporting on items such as skips, scaffolds, hoardings, tables and chairs etc. It would involve the CEO confirming that the activity was licensed and that the

correct permit had been applied for and granted, reporting unlicensed activity, acting as a monitoring team for the enforcement officers within road network. All service providers felt this and some other fault reporting could be combined within the role without a detrimental effect on the prime role of parking enforcement.

16. It was clear from the market testing that all service providers felt that it was possible to benefit from volume discounts when it came to the business support services, single IT system, single call centre and a single team managing the back office processes.
17. As part of the consultation with the current market leaders in these types of services, discussions were carried out with respect to contract period. The longest possible contract was preferred as it allowed investment to be depreciated over the extended contract term and meant better investment in the contract by the contractor.

#### **Future proofing the service (contract flexibility)**

18. The current parking contract was tendered based upon the supply of a fixed number of patrolling hours per week. Any increase or reduction in patrolling hours being dealt with by way of a variation on the contract with the attendant contractor claim for costs arising from the required change. Considering the changing environment of both greater compliance and technology the new contract will ensure that it has the mechanisms in place to reduce costs should there be a change in circumstances. The means of safeguarding changes in compliance rates is set out below

#### **Changes in compliance rates**

19. The on-street operations pricing mechanism and specification in the new contract will specify that the deployed enforcement hours is likely to be varied, within pre-set limits, over the period of the contract, The ratio of deployed hours to on-street team managers will also be specified and a reduction of one complete team in deployed hours terms would also result in a corresponding reduction in team managers.
20. The cost of each deployed hour plus supervision will be specified in the schedule of rates together with the total price for the provision of the number of deployed hours specified.
21. The level of deployed hours will be set at quarterly review meeting over the lifetime of the contract, with the number of PCNs issued per deployed hour being the measure of whether the contract should be flexed up or down. Generally an average of more 1.5 PCNs being served per hour is an indication that additional resources are required; there is non-compliance. Conversely an average PCN rate of 0.25 per hour would indicate that deployment is no longer productive and should be withdrawn
22. Building flexibility into the contract in this way has the inherent risk that the contractor will price uncertainty into the contract to allow for potential costs of change over the lifetime of the contract.
23. In the back office operation the schedule of rates will cover all areas of the operation as a per/item charges. This will be expanded from the current contract

and therefore changes in the amount of enforcement will directly reduce the cost of individual items.

### **Information technology, investment and contract price changes**

24. In addition to the changes already highlighted it is expected that the new contract will make full use of new technology to deliver a digital parking environment, including for example:
- Real on-street access for CEO to the parking permit database
  - Virtual permits linked to vehicle registration number rather than a paper permit
  - Automatic number plate recognition systems linked to both static and mobile CCTV systems.
25. As an option the Council will retain the ability to provide the investment in the IT to the contractor. This would result in lower costs through the contract period as the contractor would not be depreciating their up front investment.
26. It is expected that the contractor will be motivated by sharing of benefits from the introduction of new technology and the streamlining of processes both in the back office and in the on-street enforcement parts of the operation.
27. It is proposed that any saving in cost which is highlighted by the contractor will be subject to a sharing of benefit of 80:20 council: contractor split. In circumstances where a larger investment is required by the contractor different payment terms can be agreed up to 60:40.
28. These benefits will be agreed as projects through the parking board and delivered as projects throughout the year. However there is no need for these projects to only be initiated at a twice per annum project board and it is expected that the parking board executive will have the authority to approve any project which is proposed during the year and out of sequence with the meetings.

### **Proposed procurement route**

29. This report seeks the Cabinet's agreement to carry out the procurement process for the provision of a sole contractor to Southwark.
30. The procurement will follow an open OJEU compliant procedure; the process is seeking a minimum of 6 tenderers although such is the size of the UK on-street parking enforcement industry that running a closed process would limit the number of tenderers to below this number.

### **Options for procurement including procurement approach**

31. The previous Gateway 1 approved by Cabinet in September 2010 set out four options for delivery of this service. Cabinet agreed that two of the options would not be pursued i.e. an in house team (on the basis of cost) and a framework agreement as no London wide framework agreement exists.
32. It was agreed that either a joint contract with another local authority or a stand alone Southwark contract were to be considered following detailed inter-authority discussions and market testing.

33. Discussions began with Lewisham Council as they were on/working to a similar timescale to Southwark Council to replace their existing parking enforcement contracts
34. The market testing was carried out jointly with Lewisham Council; throughout the market testing it was clear that there is enthusiasm within the parking services industry for a joint local authority contract. The service providers felt that savings could be made in regards to the overall cost of the parking service through a single larger contract particularly in the back office notice process, correspondence process and permit process by having a single IT system and a joint parking back office.
35. The option of a joint contract with Lewisham Council has received considerable attention, however it has been judged that it is not the best way forward for the following reasons:
- It is too complex and time consuming leading to increased procurement costs both in terms of officer time and also legal and other administrative costs
  - The parking market in the UK is centred around 4 main contractors who already have economies of scale, therefore the joint contract is unlikely to deliver significant savings
  - A full parking shared service where the Council services merge is not possible; Southwark could take over Lewisham's service and vice versa but the Council's cannot share the legal authority to enforce parking and traffic restrictions
  - The need to ensure contract flexibility in the light of falling pcn income.
36. As a result the Council has reviewed the options appraisal in the Gateway 1 Report from September 2010, an in house option has been rejected due to the cost of the service and the need for investment. No frame work exists.

### **Scale of contract**

37. From our market testing it was acknowledged that all providers preferred to have a single contract covering all parking activities. Officers have considered whether contracts could be let for local area parking enforcement and would not recommend that this route be followed for the following reasons.
- Smaller local contracts increase the overall price of the contract as the main suppliers would not be bidding for a single contract. Plus the future cost savings which could be achieved from future capital investment as technology evolves would be restricted.
  - The system would be confusing to the public as they would be dealing with different parking enforcement contactors in some cases on opposite roads.
38. Southwark will therefore let its own single stand alone borough wide contract for the following reasons:



- A simpler streamlined contract letting process using the open OJEU process
- Lower procurement costs and officer time requirements
- A straightforward contractor/Council relationship focussed on delivery of a first class parking service to Southwark Council with no distractions
- Lower overall contract costs as a result.

### Identified risks and how they will be managed

39. Please see Appendix one. Officers have identified an initial high level risk register these are the high level risks involved in the procurement of a new parking enforcement contracts and those which may affect the financial performance of the Council's parking account. A full risk workshop jointly with Lewisham was held in December 2011.

### Policy implications

40. The recommendations contained within this report are consistent with the policies of the Transport Plan and associated Transport local implementation plan. The recommendations are also consistent with the Sustainable Community Strategy - Southwark 2016.

### Procurement project plan

41. Below is the proposed Southwark approval process;

Activity	Complete by:
Forward Plan (if Strategic Procurement)	28/03/2012
DCRB Review Gateway 1: Procurement strategy approval report (this report)	02/02/2012
CCRB Review Gateway 1: Procurement strategy approval report (this report)	16/02/2012
CMT Review Gateway 1: Procurement strategy approval report (this report) dates to be added	23/02/2012
Notification of forthcoming decision – Five clear working days (if Strategic Procurement)	12/03/2012
Approval of Gateway 1: Procurement strategy report (this report)	20/03/2012
Scrutiny Call-in period and notification of implementation of Gateway 1 decision date to be added subject to CCRB  <i>Note: You should allow a minimum of 8 clear working days. This is subject to the decision not being called-in. If the decision is called-in the timetable will need to be adjusted accordingly.</i>	04/04/2012
Completion of tender documentation	12/04/2012
Advertise the contract	16/04/2012

Activity	Complete by:
Invitation to tender	16/04/2012
Closing date for return of tenders	15/06/2012
Completion of evaluation of tenders	01/08/2012
Completion of any interviews	01/08/2012
DCRB/CCRB/CMT Review Gateway 2: Contract award report <i>Note: CMT review for full cabinet decisions only.</i>	August 2012
Notification of forthcoming decision (five clear working days)	11/09/2012
Approval of Gateway 2: Contract Award Report	18/09/2012
Scrutiny Call-in period and notification of implementation of Gateway 2 decision <i>Note: You should allow a minimum of 8 clear working days. This is subject to the decision not being called-in. If the decision is called-in the timetable will need to be adjusted accordingly.</i>	01/10/2012
Alcatel Standstill Period notice period 10days to be added	01/10/12 to 15/10/12
Contract award	15/10/2012
Contract start	01/01/2013
Contract completion date	31/12/2020

### TUPE implications

42. Depending on the final scope of the contract agreed some existing council staff may transfer under TUPE in the new contract period. Also there will be secondary TUPE between the current contractor and a new contractor if there is a change in supplier.
43. All TUPE issues will be addressed through ongoing liaison with the Legal employment sections of the council.

### Development of the tender documentation

44. The specification, PQQ and ITT documents will be developed by Southwark's Parking Enforcement team in conjunction with departmental procurement, legal contracts and finance teams. The Council intend to make use of the British Parking Association model contract as a starting point for its documentation.

### Advertising the contract

45. The contract will be advertised in the OJEU and at least two UK parking related trade journals, Parking News and Parking Review, as well as the local press.

## Evaluation

46. The procurement of the contract will be overseen by a project board led by the Finance Director and the Strategic Director of Environment and Leisure.
47. A departmental parking project team, consisting of department procurement and legal teams reporting to the parking procurement board with sign off required by the executive of the board at the completion of each stage.
48. Evaluation criteria will be agreed for the evaluation matrix which will be used to evaluate the return of tenders for award of contract.

## Pre-qualification questionnaire (PQQ)/Tender evaluation

49. As this will be an open procedure, tenderers will be asked to submit a PQQ alongside their tender proposals. The PQQ will be assessed prior to the tenderer's proposals being evaluated and will need to be passed in the same way as if this were a closed process.
50. The PQQ/tender evaluation criteria will be based around the tenderers' proposals meeting specified quality requirements such as, staff training, street visits, IT services, innovation, robustness and durability of equipment, the tenderers' expertise, the quality of the ongoing maintenance, support, innovation and price. The contract will be awarded to the most economically advantageous tender based on price (70%) and quality/innovation (30%).
51. The quality element of the tender evaluation will be by weighted score against the following criteria for tender evaluation:
  - Ability to deliver the service in compliance with the specification
  - Plans for the management and monitoring of the operations
  - Innovation in service delivery methods
  - Technical innovation
  - Internal performance management methods
  - Customer Service standards.
52. Evaluation criteria will be detailed to the contractors as part of the invitation to tender, there will be a minimum quality threshold beyond which price and quality will be evaluated. The Council will need to be confident that any tenderer are able to fulfil all core functions.
53. The draft quality evaluation will be equally weighted between parking and traffic enforcement services (service 1) and back office services (service 2). The additional services will not be considered as part of contract award in assessing quality but will be when assessing price. In assessing quality, the draft criteria that will be considered, which is subject to final review by the Council are attached, please see Appendix 2 for draft criteria.
54. Stage Two – Quality first, once the quality criteria have been passed then price will be evaluated. The pass marks for quality for service 1 and 2 are 184 and 290 respectively representing a 75% pass mark based on the method statements.

55. Price second, in the specification will be a cost schedule with definitions of what should be included, as well as a variety of call off rates and variable payments which may be made in regards to performance, innovation and cost saving. This will enable a cost analysis of the bidders' proposals.
56. Once the pricing has been reviewed at this point officers will be able to determine which are the most economically advantageous tenders, this will be determined by the pricing 70% and quality 30% in a weighted decision. Both services will be awarded to a single contractor. The wider role for the CEO cost will be compared to the in house delivery of this service.

### **Community impact statement**

57. The procurement is necessary to fulfil the Council's statutory obligations. Parking and traffic enforcement is an extremely sensitive issue but this procurement has no or very small additional impact on local people and communities, it is the continuation of existing services.
58. The enforcement of parking controls assists pedestrians, particularly those with impaired mobility to cross streets and contributes to an improved environment through the elimination of on-street commuter parking and the associated reduction of local and borough-wide traffic levels with improvements to local air quality and noise reductions.
59. The policies within the Transport Plan are upheld within this report and have been subject to an equality impact assessment (EqIA).

### **Sustainability considerations**

60. As part of this procurement the Council will seek to reduce the number of removal vehicles and at the same time improve emissions to meet Euro V emissions standards, whereas the current vehicles have a Euro 3 or 4 level status only.
61. Currently the Southwark contractor operates 3 Toyota Prius Hybrid vehicles. In the future contract they will be required to provide a number of vehicles equipped with automated number plate recognition technology (ANPR). The replacement vehicles CO<sub>2</sub> emissions will be below 100gm/km and will therefore be congestion charge exempt. In addition the contractor currently operates a number of motorcycles; the future contractor will be expected to provide a mixture of conventional and electric vehicles to replace these.

### **Economic considerations**

62. Through the overall project plans (delivery and resource) the contractor will be encouraged to include a local economic benefit plan.
  - Advertising opportunities in local press, and a range of publications to reach small businesses, ethnic minority owned business and social enterprises
  - Asking contractors/suppliers to engage with borough-wide employment programmes such as Southwark Works and Building London Creating Futures to support unemployed residents' access to training, skills and sustainable employment

- Contractors/suppliers as part of their training programme will be encouraged to engage the local community with the offer of apprenticeship schemes
- Encouraging contractors/suppliers to use local companies in their sub-contracting and supply chain arrangements.

### **Social considerations**

63. SME's are not precluded from bidding for these contracts, but it is unlikely they would be able to provide the full range of services required.
64. London living wage (LLW) for service 1 (see Appendix 2) the delivery of enforcement services within Southwark, the council requires that any bid received must be based on the minimum wage paid being at or above the current London living wage level. Officers feel that with the inclusion of the LLW this will achieve best value for the Council as it will widen the opportunities for recruiting for the position of the wider role of the civil enforcement officer. The tasks outlined in service 2 may not be delivered within London and therefore are not subject to the same restriction, though if delivered within London the Council will require the contractor to deliver the London living wage as part of their submission.

### **Environmental considerations**

65. The PQQ will contain questions designed to ensure that all suppliers that are short listed have reached a suitable standard on environmental issues, and that they have not breached environmental law to the concern of the Council. The contract will require a reduction of CO2 emissions over the life of the contract (see also sustainability considerations).

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

66. The contracts will be actively monitored by a revised Council parking team. A significant proportion of the payment mechanism will be based on the achievement of Key Performance Indicators centred around the following areas:
- Street visits and coverage
  - Staff retention
  - Penalty Charge Notice (PCN) quality
  - PCN recovery rates
  - Notification of licensable activity on the highway
  - Identifying and reducing costs
  - Annual Improvement Plans
67. A parking management board will be formed with the contractor's senior management sitting on it. This board will meet initially every three months but eventually this may reduce to twice a year. The board will be responsible for setting the parking budgets with the contractor for the forthcoming year along with any changes to remuneration and key performance indicators.
68. The parking board will receive updates on parking services and take recommendations for individual service improvements which will be the responsibility of the parking teams/contractor to take forward and complete as work packages.

69. Below this board there will be enforcement meetings with the contractor and a separate enforcement and back office meetings which will occur at least every two weeks in the early stages of the contract but may become monthly if performance is satisfactory.
70. The Southwark Council parking service will be reorganised to form a contract management function only with contract managers covering, business support, bailiff and traffic/enforcement services each with a monitoring/deputy reporting to parking services and development manager. This will reduce the overall number of staff in parking from eleven to seven with business support and bailiff service managers as the day to day running of parking appeals service cases transfers to the contractor.

### **Resource implications**

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

71. The procurement of this contract will be undertaken by the parking services manager with the assistance of Environment and Leisure procurement.
72. Parking services will have an additional resource to assist in the writing of the ITT and procurement process and costs will be covered by savings identified within the parking enforcement service procurement programme.

#### **Financial implications**

73. As part of the budget and business planning exercise for 2012/15, indicative savings of £300k in 2013/14 and a further £240k savings in 2014/15 were proposed as a result of reduced costs from the procurement of new parking enforcement contract. In addition it is projected that there will be a further £225,000 saving in 2014/15 by introducing cashless parking charges to replace all pay and display machines on street. However, in reference to paragraph 14 this saving could be reduced if the council decides not to take the option of outsourcing some administration duties relating to the appeals process .
74. The current contract cost, including estate parking is £5.47 m per annum. It is expected that the new contract and the use of annual price indexation using the lower Consumer Price Index (CPI) rather than current Retail Price Index (RPI) will generate the required savings. The annual cost of the new contract is currently estimated as £5.09 million
75. The change of indexation in the contract may need to be ratified by the parking management board. One of the aims of the contract and a Key Performance Indicator will be the reduction of cost and the sharing of benefits throughout the contractual period.

#### **Legal implications**

76. Please see the legal concurrent below.

#### **Consultation**

77. Southwark Council are required to carry out parking and traffic enforcement in accordance with the Traffic Management Act 2004 as amended, and are expected to put in place a parking policy which is similar to those operated by

other London boroughs. Consultation takes place in regards to this through the Transport and Environment committee at London Councils. Network development carry out consultation with the public in regards to parking controls through the borough when new controlled parking zones are proposed or revised. The new transport plan has been completed in 2011 and contains an update on Southwark's parking and enforcement plan; this has been widely consulted upon.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

78. This report seeks the Cabinet's approval to the procurement strategy for the parking and traffic enforcement services contract. At an estimated value of over £4 million for services, the procurement is a Strategic Procurement and therefore this approval is reserved to Cabinet under Contract Standing Orders.

The Cabinet are advised that the nature and value of these services are such that the contract is subject to the full application of the EU procurement Regulations and therefore must be tendered in accordance with those regulations. Paragraph 44 confirms that an advert is to be placed in OJEU and also other UK trade journals.

As noted in paragraph 64, the council expects that any bid received must be based on payment of London Living Wage. Section 3 of the Local Government Act 1999 allows the council to require payment of LLW where it believes that this will result in better value services being provided. The council's Cabinet, in agreeing its revenue budget report on 7 February 2012, noted that it included the introduction of clear plans to ensure that the London Living Wage (LLW) benefits not only the Council's directly employed staff but also those who work for the Council through contractors. The budget report was presented to Council Assembly on 29 February 2012 when the Council confirmed its commitment to LLW being included in new contracts where services/works are to be provided on council premises or in the London area, and where best value can be demonstrated on a case by case basis. As noted in paragraph 64 it is considered that the payment of LLW will achieve best value.'

### **Finance Director (NR/F&R/29/2/12)**

79. This report recommends that the cabinet approve the procurement strategy for the parking and traffic enforcement services contract.
80. The Finance Director notes the financial implications contained within the report, the lifetime costs of the contract and that future year's budgets would be subject to normal council budget setting procedures and member approval. The Finance Director also notes the indicative savings resulting from the new contract. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

### **Head of Procurement**

81. This report seeks the Cabinet's approval of the procurement strategy for a Parking contract to be let for up to seven years with a value of up to £35.63 million.

82. The report details the background to the current contract arrangements and sets out the services to be packaged within the proposed contract and notes that there are some optional service areas which tenderers will also be asked to price.
83. The British Parking Association model contract, widely used across parking authorities, will be used as the basis of the contract documentation and this alongside the wider ITT documentation will be developed by Southwark's Parking Enforcement team in conjunction with the departmental procurement and legal contracts sections.
84. As there is a limited market of parking providers, an open EU procurement process will be followed and it is expected that this will generate a minimum of six tenderers for the contract via both the OJEU and adverts in appropriate trade publications.
85. It is noted that a range of procurement options has been explored including a joint contracting arrangement with LB Lewisham. However on balance officers are of the view that the expected benefits of a joint procurement process did not outweigh the additional costs and complexities.
86. Consideration has been given to working to ensure that the new contract offers value for money and also provides the flexibility to meet changing circumstances through the inclusion of cost reduction mechanisms.
87. A workshop led by the corporate risk team has identified the key risks which could affect the procurement and sets out control mitigations. These risks will need to be actively managed throughout the procurement.
88. The report confirms the process that will be used at tender evaluation to select a provider to deliver this contract. The key selection criteria for both PQQ short listing and tender evaluation are set out in outline and these will be further developed and agreed by the project board. The report confirms that the tender evaluation will be in line with the Council's standard 70%:30% price: quality ratio.
89. The client section will be responsible for overseeing the procurement and monitoring the subsequent contract through regular meetings and service reviews. A range of relevant key performance indicators will be developed and included in the tender documentation.
90. Whilst the timescales are tight and sufficient resources and focus will need to be given to the procurement, the client has the option to extend the existing contract by a further extension of six months which should allow sufficient time for the tender process and TUPE arrangements to be completed.
91. The proposed procurement process to be followed will be compliant with Contract Standing Orders and OJEU requirements.
92. This matter has been reviewed by both the Environment and Leisure Departmental and Corporate Contract Review Boards and recommended changes have been incorporated into this final report.
93. This concurrent has been provided by the Head of Environment and Leisure Procurement.



**BACKGROUND DOCUMENTS**

<b>Background Documents</b>	<b>Held At</b>	<b>Contact</b>
Gateway 1 – Initial Procurement Strategy Report	160 Tooley Street, London SE1 2QH	Nicky Costin 020 7525 2156
Gateway 1/2 – Parking and traffic enforcement contracts	160 Tooley Street	Nicky Costin 020 7525 2156
Parking Contracts	160 Tooley Street	Nicky Costin 020 7525 2156
Parking and enforcement policy	160 Tooley Street	Nicky Costin 020 7525 2156

**APPENDICES**

<b>No.</b>	<b>Title of appendix</b>
Appendix 1	Identified risks
Appendix 2	Draft evaluation criteria

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Barrie Hargrove, Transport, Environment and Recycling		
<b>Lead Officer</b>	Gill Davies, Strategic Director of Environment and Leisure		
<b>Report Author</b>	Des Waters, Head of Public Realm		
<b>Version</b>	Final		
<b>Dated</b>	9 March 2012		
<b>Key Decision?</b>	Yes	<b>If yes, date appeared on forward plan</b>	January 2012
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Strategic Director of Communities, Law & Governance	Yes	Yes	
Finance Director	Yes	Yes	
Head of Procurement	Yes	Yes	
<b>Contract Review Boards</b>			
Departmental Contracts Review Board	Yes	Yes	
Corporate Contracts Review Board	Yes	Yes	
<b>Cabinet Member</b>	Yes	Yes	
<b>Date final report sent to Constitutional Team</b>	9 March 2012		

**APPENDIX 1****Identified Risks**

<b>Risk</b>	<b>Implication</b>	<b>Management</b>
Existing parking IT system uses multiple interfaces with Southwark IT	Reduction in services available after a switch to a new contractor	Any new contractor must be given sufficient time to establish these links.
Fall off in enforcement activity and therefore revenue during the period post contract award and the first few months of new contractor	Financial implication of the drop in income. A reduction in parking activity by 10% could reduce surplus by £350K	Need to closely monitor existing contractor and put new contract monitoring operation in place prior to contract award.
Insufficient equipment available to run the operations on day 1.	Loss of revenue as workforce not properly equipped	50 HHCT and printers plus 2 SMART cars revert to Southwark Council along with all parking data, Any new contractor must be given sufficient time to procure equipment.
There may not be enough companies interested in the procurement to enable us to select the number we need.	Inability to secure enough a competitive bid.	This is very unlikely as all four major players are very interested as Southwark is the only central London Authority without an existing long term contract. The contract will be advertised widely.
Insufficient project resource to handle expressions of interest and/or tenders within the project timescales.	Increase in time taken to complete procurement. Contract not awarded in time.	Arrange for extra resource in advance of expected peak periods.

## APPENDIX 2

## Draft Evaluation Criteria

Quality Criteria	How Assessed	Max Score	Weighting
<b>Service 1 - Parking and Traffic Enforcement Service – Frontline services</b>			
Parking Management	Method Statement outcomes meet or exceed specification	10	4%
Project Management	Implementation plan Key milestones and dates	20	8%
IT Solution Full integration to the parking back office system	Implementation plan Key milestones and dates Method Statement outcomes meet or exceed specification	30	13%
Hand held computer terminal solution  GPRS / GPS  Compatibility with virtual permits	Sample Hand Held Computer terminals (HH Ct) to be provided with software to test Method Statement outcomes meet or exceed specification	10	4%
Accredited and ongoing training programme	Method Statement outcomes meet or exceed specification  Evidence of compliance with current industry training standards . Apprenticeship programme	10	4%
Plan for parking base/bases	Method Statement outcomes meet or exceed specification  Proposed base location(s)	10	4%
Inner Controlled Parking Zone (CPZ)] Patrol Solution	Method Statement outcomes meet or exceed specification  Proposed deployment plan with beats	30	13%

<b>Quality Criteria</b>	<b>How Assessed</b>	<b>Max Score</b>	<b>Weighting</b>
Outer CPZ Patrol Solution	Method Statement outcomes meet or exceed specification  Proposed deployment plan with beats	30	13%
Estate Enforcement Solution	Method Statement outcomes meet or exceed specification  Proposed suspension operation	10	4%
Annual improvement plan	Method Statement outcomes meet or exceed specification  Innovation and vision over next 5 years	10	4%
School crossing patrols	Method Statement outcomes meet or exceed specification	10	4%
CCTV Solution Digital solution Unattended camera systems Head mounted for CEO	Unattended camera proposal  Digital back office proposal  Method Statement outcomes meet or exceed specification	30	13%
Parking, traffic and suspension sign maintenance	Method Statement outcomes meet or exceed specification	10	4%
Managing line maintenance through the council's contractors	Method Statement outcomes meet or exceed specification	10	4%
Pay and display machine maintenance	Method Statement outcomes meet or exceed specification	10	4%
Clarification Interviews may be held if necessary (not scored)			
	Total	240	100%
<b>Service 2 - Back office services including IT and web/telephone solutions</b>			
Project Management	Implementation Plan  Key milestones and dates	10	3%
Parking Back Office System	Method Statement outcomes meet or exceed specification	40	10%

<b>Quality Criteria</b>	<b>How Assessed</b>	<b>Max Score</b>	<b>Weighting</b>
Web and automated telephone permit renewal	Method Statement outcomes meet or exceed specification	20	5%
Web and automated telephone visitors permit system	Method Statement outcomes meet or exceed specification	20	5%
Web new permit application system	Method Statement outcomes meet or exceed specification	10	3%
Web PCN query system	Method Statement outcomes meet or exceed specification	10	3%
Pay by mobile parking system	Method Statement outcomes meet or exceed specification	20	5%
Reconciliation and banking of income	Method Statement outcomes meet or exceed specification	10	3%
Virtual permit solution	Method Statement outcomes meet or exceed specification	20	5%
<b>Managed back office</b>			
Expert telephone enquiry service	Method Statement outcomes meet or exceed specification	25	6%
Early appeals response	Method Statement outcomes meet or exceed specification	25	6%
Investigation and recommendation for Representations	Method Statement outcomes meet or exceed specification	20	5%
Parking appeals	Method Statement outcomes meet or exceed specification	20	5%
Bulk statutory noticing	Method Statement outcomes meet or exceed specification	5	1%
Reconciliation and banking of income	Method Statement outcomes meet or exceed specification	10	3%
Annual improvement plan	Method Statement outcomes meet or exceed specification	5	1%
<b>Bulk processing incoming post</b>			
Scanning and indexing all incoming post	Method Statement outcomes meet or exceed specification	30	8%

<b>Quality Criteria</b>	<b>How Assessed</b>	<b>Max Score</b>	<b>Weighting</b>
Scanning, indexing and basic tracing of undelivered post	Method Statement outcomes meet or exceed specification	10	3%
Scanning indexing and banking of incoming cheques	Method Statement outcomes meet or exceed specification	30	8%
Scanning of pocket books	Method Statement outcomes meet or exceed specification	20	5%
Reconciliation and banking of income	Method Statement outcomes meet or exceed specification	30	8%
Clarification Interviews may be held if necessary (not scored)			
		390	100%
<b>Additional duties</b>			
A wider role for civil enforcement officers covering the reporting of on-street licensing activities	Method Statement outcomes meet or exceed specification	20	Decision to include based on comparative cost and quality

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Elephant and Castle Supplementary Planning Document / Opportunity Area Planning Framework	
<b>Ward(s) or groups affected:</b>		Newington, East Walworth, Faraday, Cathedrals, Chaucer, Camberwell Green	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

I'm delighted to recommend that cabinet adopt the Elephant & Castle Supplementary Planning Document.

Whilst much of our focus is, quite rightly, on the future of the Heygate Estate area and the Shopping Centre, the regeneration of Elephant & Castle is about so much more than that. There are opportunities for development and regeneration right across the Elephant & Castle area, including Newington Causeway, the Walworth Road and the two university campuses.

Alongside the opportunity for growth in residential and commercial space we must address the challenges of upgrading the infrastructure of the area to support this growth. Most crucially the capacity of the Northern Line station must be increased and in the SPD we introduce a new strategic transport tariff to ensure all new developments in the area make a financial contribution towards this. We also need to improve the interchanges between the tube, rail and buses and make the area much easier, safer and more enjoyable to navigate by foot and bike.

The SPD confirms our vision of the Elephant & Castle as a vibrant central London location where people will want to live, to work, to visit and to study. It sets out our commitment to delivering 35% affordable housing in the area and also to affordable business space. It recognises the heritage of the Elephant and introduces plans for two new conservation areas – around Larcom Street and Elliott's Row. It also recognises that the Elephant & Castle is not one homogenous area where one set of policies fits all and so it sets out a vision and strategy for nine different character areas across the opportunity area.

During the consultation period we received a great many representations about the SPD and have made a number of amendments which are highlighted in the report and appendices. Changes include clarifying that TfL proposals to make London Road a "public transport corridor" and St George's Rd two-way to traffic are no longer a TfL priority and that further consultation would take place if they do decide they wish to take these proposals forward. We have also amended walking and cycling policies to refer explicitly to the need to create safe and convenient links between Walworth Road, the Rockingham Estate and the cycle network beyond.

## RECOMMENDATIONS

That cabinet

1. Adopts the Elephant and Castle Supplementary Planning Document/Opportunity Area Planning Framework (Appendix A).
2. Notes the comments of the planning committee and the recommendations of the regeneration and leisure scrutiny sub-committee.
3. Notes the consultation report (Appendix B), the table of representations received on the draft SPD and the council's response (Appendix C), the updated equalities impact assessment (Appendix D), the updated sustainability appraisal (Appendix E) and the sustainability adoption statement (Appendix F).

## BACKGROUND INFORMATION

4. The Elephant and Castle opportunity area is identified in the London Plan (2011) and the council's recently adopted core strategy (2011). It covers an area of 122 hectares. In addition to the shopping centre and Heygate Estate, the opportunity area also incorporates Walworth Road, London South Bank University campus, St George's Circus, West Square and the Imperial War Museum and Newington Causeway. Both the London Plan and the core strategy recognise its potential for change and growth and set a target of providing at least 4,000 new homes by 2026 and around 5,000 new jobs.
5. In 2004 the council adopted the Elephant and Castle Development Framework supplementary planning guidance (SPG) to provide a framework for development for the core of the opportunity area. This was supplemented by the Elephant and Castle Enterprise Quarter supplementary planning document (SPD) in 2008 and the Walworth Road SPD also in 2008. However, these documents which were based on the 2007 Southwark Plan are now becoming out-of-date. In particular the floorspace quantum and number of homes sought to not reflect the Core Strategy or the London Plan. Some of the uses identified in the 2004 SPG, such as a new secondary school are no longer required. The tall buildings proposed by the 2004 SPG on the shopping centre site may not be compatible with the 2009 London View Management Framework.
6. There is a need to refresh planning guidance to ensure it remains fit for purpose. This document should aim to coordinate growth, directing development to those areas in which it is appropriate and desirable, and protecting areas which are sensitive, such as conservation areas. Many of the neighbourhoods which comprise the opportunity area have a distinct character. Development should aim to reinforce the sense of distinctiveness and help create a sense of place.
7. The purpose of supplementary planning documents is to provide more detailed guidance on existing policies in the core strategy and the London Plan. They cannot be used to create new policies. When finally adopted, SPDs are a material consideration in the determination of planning applications.
8. London Plan policy 2.13 indicates that the boroughs should work with the Mayor to produce opportunity area planning frameworks (OAPFs) for the opportunity areas. The new planning document will therefore comprise an SPD and an opportunity area planning framework (OAPF). It covers the entire opportunity



area and will replace the 2004 Elephant and Castle Development Framework SPG, the 2008 Elephant and Castle Enterprise Quarter SPD and the 2008 Walworth Road SPD. The council and GLA have worked closely on its preparation. Adopted by both Southwark and the Mayor, an agreed approach will help provide certainty for developers, clarity for members of the public and councillors, and a robust basis on which forthcoming planning applications can be assessed.

9. The draft SPD was reported for approval to cabinet on 22 November 2011. The document was available for public consultation between 15 November 2011 and 7 February 2012. Following the close of consultation, the representations received on the draft document have been considered and where appropriate changes have been made to the document. A track changed version of the SPD is provided in appendix A.

## **CONSULTATION**

10. 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 SPDs.
11. In accordance with the SCI the council consulted on the draft SPD for a total of 12 weeks. This comprised a 6 week informal period of consultation between 15 November 2011 and 26 December 2011 and a 6 week period of formal consultation between 27 December 2011 and 7 February 2012. During this period the document was available on the council's website and was available in libraries and one-stop shops for the formal part of the consultation. The council also sent notification letters to around 3000 consultees in the planning policy team's database.
12. A number of events were held to publicise the SPD and engage with the community. This included: walkabouts with members of the local community; workshops at Walworth Community Council and at the Youth Community Council; presentations at the community councils of Camberwell, Bermondsey and Borough & Bankside; a presentation at the Elephant and Castle Regeneration Forum; workshops with the Bangladeshi community on the Rockingham estate, faith groups and Latin American businesses; workshops at Keyworth and Victory primary schools and Walworth Academy and; exhibitions in the shopping centre, the consultation Hub on Walworth Road and London South Bank University.
13. In addition, the council attended meetings and participated in workshops of other groups including Living Streets, Southwark Cyclists, the Elephant and Castle Amenity Network, Southwark Space, the Walworth Society, the Elephant and Castle Regeneration Forum liaison groups on housing, design, community facilities and the economy, the Rockingham TRA and the Waterloo Community Development Group. Further details of all events are set out in the Consultation Report (Appendix B).
14. In all 205 letters, emails and questionnaires were received by the council on the draft SPD. These contain 1103 individual comments. A summary of the comments received from statutory organizations as well as from other individuals and organizations is set out below. All the representations and the council's response are set out in Appendix C.

**GLA/TfL**

- To be circulated prior to the meeting.

**English Heritage**

- In general EH welcomes the approach of the draft SPD/OAPF and the various supporting documents that help informed its development.
- EH welcomes the development of evidence base to help inform the management of tall buildings in the Opportunity Area (OA). However there is still a lack of clarity on the overall vision for tall building development in this area and its resulting physical form on the skyline. Further clarification should be provided on the skyline which the council is seeking to create, including through the specification of heights on individual sites.
- At present the detail provided in the SPD focuses on the visual aspect of setting and does not explore sufficiently the impact of development upon the significance of heritage assets affected.
- EH supports the details of the Characterisation Study undertaken. However it is suggested that the Walworth area should be reconsidered as having the potential to be a conservation area.
- The Victorian group of buildings centred on Iliffe Street and Yard are of such local significance that they have the potential of being locally listed, rather than buildings of townscape merit.
- It is important to highlight the two London Squares in the area, these being West Square and County Gardens, and any spaces/gardens identified by the London's Parks and Garden Trust.
- English Heritage's funded Urban Design Framework for St George's Circus should be more clearly referenced and used to inform change in the Enterprise Quarter.

**Natural England**

- Natural England welcome and support the provision of new open spaces and connections between new and existing spaces through the provision of green routes/chains/links.
- Natural England are pleased to see the recognition of the benefits of Green Infrastructure in development proposals, such as Climate Change, Urban Heat island effects in the SPD.
- In relation to the sustainability appraisal, Natural England acknowledges and welcomes the inclusion of green Infrastructure as a sustainability issue for the area, linking in with the recognition of the area being deficient in access to green space and nature.
- Natural England agrees with the methodology used for the Appropriate Assessment and with Southwark Council's assessment, that Stages 2 and 3 of the Habitats Regulation Assessment are not required.

**Environment Agency**

- Further reference should make reference to the existing surface water flood risk within the Opportunity Area and the SPD should make links to Southwark Council's Surface Water Management Plan.
- There should be a reference to dealing with land contamination in the OAPF as the area has a significant industrial history.

- The Environment Agency support the section on climate change adaptation in SPD 15: Public Realm.
- The Environment Agency recommend that greenfield run-off rates should be delivered within Elephant and Castle.

### **Thames Water**

- It is unclear at this stage what the net increase in demand on infrastructure will be as a result of redevelopment in and area the Elephant and Castle area. Thames Water would welcome the opportunity to work closely with the local authority to better understand demand for water supply, sewage treatment and surface water drainage requirements.

### **Coal Authority**

- No comments.

### **Other individuals and organisations**

15. The following comments were made by individuals and organisations:

Sections 1 and 2 of the SPD

- The role of prominent community facilities and institutions needs to be highlighted as an integral part of the area's regeneration
- A number of respondents agreed that new housing must be of high quality and that a key challenge is to ensure that it reflects local needs, in terms of type, tenure and affordability
- Stronger focus was sought on the loss of local shops. A petition against the loss of local shops at Rodney road was submitted with around 2600 signatories

Vision and objectives:

- Levels of support and objection were roughly equal
- Elements of the vision relating to the town centre, built environment and protection and improvement of the natural environment were supported.
- Some respondents who supported regeneration in principle stressed the need for a balance that protects and values existing communities
- Several comments highlighted the need to ensure community facilities are provided to underpin population growth, particularly school places and health facilities
- Some objectors felt that the vision and objectives needed a stronger focus on people; the community, support for local groups and fostering social cohesion.

SPD1 - Shopping business and hotels:

- There was support for a promoting a more diverse shopping experience at Elephant and Castle
- There was some concern over affordable retail space, its location and implementation and which businesses would have preference for occupation of the new units.
- Several local businesses wanted more recognition of the contribution which minority ethnic businesses make to the retail offer and cultural diversity of the area
- There were several comments asking for more recognition on the important contribution small retail units and street market traders have in the area in providing goods for local people and as local employers.

## SPD2 - Markets:

- A few comments were made on the need to protect existing market stalls in the area and encouraging more variety of goods for sale at East Street market.

## SPD3 - Hotels:

- There was some concern that the appropriate locations, sizes and types of hotels needed to be identified further.

## SPD4 - Jobs and business:

- A few comments raised the importance of the contribution that creative and cultural industries have in the area.
- More support for the provision of incubation space in new business floorspace was promoted

## SPD5 - Homes:

- A large number of comments raised the need for a higher proportion of 3+ bedroom units, particularly affordable family units
- Local residents commented that the majority of the affordable units provided should be social rented
- There was concern around the 25% affordable housing target in the Lend Lease masterplan
- There was some concern from developers that the SPD does not refer to viability and site constraints when looking at the required amount of affordable housing
- There were some comments on the need to ensure that we have the supporting infrastructure for increased housing
- There were also some comments on density, with a split between concerns around the density being too high and others about the density being too low/not flexible enough

## SPD6 - Arts, culture, leisure and entertainment:

- A few respondents sought more recognition of the contribution that public art can make to help create uniqueness of place and to enhance local identity.
- A few comments highlighted the importance of promoting links between cultural programming in existing businesses with new arts, culture and leisure organisations
- Several comments were made on the need to highlight the importance of creative and cultural industries to the local economy

## SPD7 - Sports facilities

- Only small number of comments. General support, with some respondents noting that it will be important that the new leisure centre is affordable for local people

## SPD8 - Student Housing

- There were comments both supporting and objecting to student housing
- London South Bank University commented that providing high quality and affordable student accommodation in the right locations is a key priority for the university
- There were a number of comments suggesting that there is already too much student accommodation in the area

## SPD9 - Community Facilities

- A number of respondents requested a greater focus on protecting well valued local facilities. A number of others requested specific attention to individual facilities.
- Several respondents noted the importance of monitoring the need for community facilities as development takes place and local population increases

## SPD10 - Public transport:

- Many representations objected to London Road becoming a "public transport corridor" with St George's Road reverting to two-way traffic.
- Several representations supported London Road becoming a "public transport corridor".
- There should be more detail on the London Road proposal and further consultation.

## SPD11 - Walking and cycling:

- Many representations stated that the SPD should require the provision of an "eastern bypass" to the main road junctions, along a direct route between Hampton Street and Meadow Row.
- The northern roundabout improvements were widely welcomed but some respondents requested good quality cycling facilities to be incorporated within it (which TfL is currently considering), and some requested more radical treatments.
- A small number of respondents requested the retention of the pedestrian subways at the northern roundabout.
- The Walworth Road project should be extended north to the southern junction and south to Albany Road. The road should be narrowed to two carriageways.

## SPD12 - Parking:

- There was support and objection in roughly equal numbers to car-free parking.

## SPD13 - Servicing and deliveries:

- There was little comment on this policy.

## SPD14 - Transport mitigation:

- Many comments expressed concern over the high volumes of traffic on Transport for London's roads and the effect of this has on noise, pollution, severance and pedestrian and cycle safety.

## SPD15 - Public realm:

- There should be more clarity in the SPD on the distinction between public and private space
- Several local residents and groups were cautiously supportive of the proposed Walworth public square, with concern raised regarding noise, anti-social behaviour and preference for a green space in the square.

## SPD16 - Built form:

- There were many comments from local residents and community groups requesting the designation of a Conservation Area along the length of the Walworth Road.
- There was concern expressed that the streets and neighbourhoods outside the Opportunity Area may not benefit from the developments within the areas boundary. The SPD should acknowledge that these area will also enjoy the benefits, such as public realm and streetscape improvements.

## SPD17 - Building heights:

- The SPD should state what the cap for building heights is.
- Specific mention should be made about the potential for tall buildings on London Road and on the Newington Triangle site.
- The elliptical gateway locations shown on figures 14 and 15 should be more prescriptive in identifying suitable sites.
- The SPD should not seek a consistent building heights on the frontage of Newington Causeway north of the viaduct.
- Tall buildings should contain public viewing areas.
- Balfour Street should be listed as an area which is sensitive to tall buildings.

- As well as the gateway locations, tall buildings should be allowed in other landmark locations.
- The width-to-height ratio of tall buildings should be deleted.

#### SPD18 - Open spaces

- Greening streets will help to increase greenspace provision and the perception of the 'greenness' of the area.
- The principle characteristics of green routes should be set out in the SPD.
- 0.61ha public park provision per 1,000 population of open space is very low.
- Existing greenspace should be incorporated into the plan including land on housing estates and land within the transport network.
- The SPD should strengthen the protection for existing trees on the Heygate estate especially at the corner of Walworth Road and Heygate Street. The SPD should be stronger on protection of existing trees, any replacement plantings should be large species trees and placed as close to the area of loss as possible.
- Support for use of the CAVAT methodology for evaluating trees.
- New open space should be required to have public access.

#### SPD19 - Energy, Water and Waste

- The policy should recognise the challenges of meeting London Plan targets and set out where this might not be possible and why.
- The SPD should acknowledge the LPA's responsibilities under the Flood and Water Management Act.
- Specific reference to water and wastewater issues should be included.
- There should be specific mention of contaminated land.
- CHP should be prioritised and development more fully.
- The SPD should set out a stronger commitment to sustainability.
- There should be greater encouragement for the re-use and refurbishment of existing buildings.

#### SPD20 - s106 Planning obligations and the community infrastructure study

- The strategic transport tariff is too onerous. Any planning obligations should be subject to viability considerations
- The priority for planning obligations should be infrastructure which brings benefit to the local community such as open space, community facilities and improvements which benefit existing estates such as the Rockingham estate. The SPD should ring-fence s106 planning obligations for community benefits in order to provide more certainty that such benefits will be delivered.
- Transport infrastructure should not be the priority for planning obligations.
- The SPD should deliver benefits for the Rockingham Estate such as new community facilities and public realm improvements.

### Comments of the Planning Committee

16. The SPD should:

- Provide greater recognition of the Latin American community.
- Provide more guidance on how the need for faith premises will be met over the plan period.
- Recognise the desirability of establishing a new town hall for Southwark at Elephant and Castle. S106 legal agreements may provide a mechanism for securing a town hall. LB Brent provides an example of how this may be achieved.

- Take into account the needs of the Bangladeshi community on the Rockingham Estate.
- Be sensitive to the integration of Walworth Road into plans for the Heygate Estate and the shopping centre. Shops on Walworth Road are struggling at the moment. The SPD should help ensure that the viability of shops on Walworth Road is reinforced by regeneration and is not harmed.
- It was questioned why the strategic transport s106 tariff for office space was so low and whether this would result in an increase in the amount of office space coming forward.

### **Recommendations of the Regeneration and Leisure Scrutiny Sub-Committee**

17. The committee is broadly supportive of the vision and the objectives that are contained in the Elephant and Castle SPD and:
- Supports the creation of strong link between the Walworth Road and the site of the Elephant and Castle shopping centre. The SPD should seek to restrict the number of payday loan, pawn shops and betting shops or make it clear this is an aspiration if national planning policy is changed to allow such restrictions.
  - Supports the commitment that at least 35% of the 4,000 new homes in the opportunity area are affordable. The commitment that at least 10% of new homes have 3 or more bedrooms should be seen as a minimum not a maximum target.
  - Recognises the demand and need for dedicated student housing, but believes that consideration should be given to ensuring that there is not an over-concentration of student housing.
  - Expresses concerns about the lack of detail and commitment around the provision of future additional school places and provision of improved health facilities.
  - Notes the very strong level of concerns about the creation of a bus-only street in London Road. This should be amended or qualified to make it clear that this is a TfL aspiration and that the council's position is that any changes to traffic management should be part of a wider review of traffic, cycle and pedestrian movement and that local residents should be consulted.
  - Supports the continued aspiration for the reconfiguration of the northern roundabout to create a peninsular, notes the fact that the Elephant and Castle roundabout is one of the most dangerous junctions for cyclists and supports the desire for an eastern cycle bypass from the Walworth Road.
  - Supports consideration being given to the completion of the previous Walworth Road project.
  - Recommends that consideration should be given to the option of using a portion of the TfL money for tube access improvements towards better passenger access by replacing the lifts with escalators.
  - Supports the creation of new conservation areas and supports the call for consideration to be given for the creation of a conservation area on the Walworth Road
  - Notes the low level of green space provision and that open space that is created should benefit both new and existing residents and strongly supports the creation of a new green park on the site of the Heygate Estate, improvements in existing underused or poor quality green spaces in the opportunity area and in the middle of the northern roundabout, the creation of a network of high quality and innovative green links.

- Calls for the allocation of section 106 monies to benefit community facilities, prioritising estates, which have direct links with the footprint of the Heygate like the Rockingham estate.

## **KEY ISSUES FOR CONSIDERATION**

18. The SPD outlines a set of objectives for the opportunity area which build on the vision in the core strategy. It provides overarching policies for the opportunity area as a whole, as well as detailed guidance which describes how this should be applied to individual character areas. The area has been divided into nine character areas: Central Area, Heygate Street, Brandon Street, Walworth Road, Rail Corridor, Pullens, West Square, Enterprise Quarter and Rockingham.

### **Shopping business and hotels**

19. The SPD promotes the provision of new shopping space to help consolidate Elephant and Castle as a major centre in Southwark's hierarchy. Large developments over 1,000 square meters will need to provide a proportion of the development as affordable retail space. A requirement to provide affordable business space is consistent with London Plan policy 4.9. The purpose of providing affordable retail space is to mitigate the impact of development on existing businesses which may be displaced by regeneration, helping them manage a period of transition. Its purpose is not however to provide indefinite support for particular businesses or provide business incubator space. The council recognises the concerns of existing businesses that regeneration inevitably creates some uncertainty. In this context, 5 years is considered a reasonable period to help existing businesses manage the period of transition and establish themselves.
20. A number of individuals and organisations, including businesses in the shopping centre, Cllr Merrill and the Elephant Amenity Network (EAN) considered that more recognition should be given in the SPD to the Latin American community. The SPD has been amended in that regard. Amendments have also been made to provide more clarity about business space within arches and the railway viaduct.
21. The regeneration and leisure scrutiny sub-committee recommended that the council seek to restrict the proliferation of betting shops, pawnbrokers and pay-day loan shops. However, these uses do not require planning permission where the change is from another use in the same "use class" such as a bank, estate agent or travel agent. There is also a permitted change of use from a restaurant, pub or cafe. As a result, the local planning authority (LPA) has very little control over uses such as betting shops. The council recently responded to a government consultation arguing that betting shops should be placed in their own use class which would give the LPA more control. However, this would require a change to the planning regulations.

### **Homes**

22. The SPD indicates that there is capacity to provide around 6000 new homes in the opportunity area over the period between 2011 and 2026. In accordance with the core strategy, at least 35% should be affordable and at least 35% should be private. Several individuals and organisations, including EAN indicated that the council must not accept less than 35% affordable housing or must require provision of up to 50% affordable housing.



23. Affordable housing policy is set out in the core strategy. Where developers propose less than 35% affordable housing, the council requires a financial appraisal to ensure that the maximum viable amount of affordable housing is provided. The council recognises the priority of providing new affordable housing at rental levels which are affordable to those in need of housing. In December 2011, the council reported its approach to affordable rent (rents up to 80% of market rent) to the planning committee and stated that its strong preference is for social rented housing rather than affordable rented housing. Proposals which include affordable rented units will need to justify this approach through a financial appraisal.
24. The SPD seeks to support the growth of London South Bank University and the London College of Communications. In addition to additional teaching space, both institutions have requirements for additional student accommodation. The SPD signals that the council will work with both universities to ensure that their requirements can met.
25. Many representations, including those of Cllr Morris and the regeneration and leisure scrutiny sub-committee, highlight the number of student bedspaces in the area and suggest that there is an over-concentration. The SPD addresses this issue by indicating that new student homes which are provided should contribute to a mix of housing types. It also recognises that there is an area at the northern end of Walworth Road however which already has around 460 bedspaces with another 220 proposed. Given this concentration the SPD indicates that further student homes developments would not be supported in that area.

### **Built environment**

26. Our strategy for the built environment is to ensure that neighbourhoods have a distinctive character and a sense of place. While there is opportunity for considerable change on the Heygate estate and in the central area, other areas are more sensitive to development and have strong character which should be reinforced. New development should be easy to move around for pedestrians and cyclists and should have a human scale at street level, with active frontages and interesting, well articulated elevations and massing. The SPD has been informed by a thorough characterisation appraisal which has identified the potential for two new conservation areas in the opportunity area: Larcom Street and Elliotts Row. Consultation will take place separately on these designations.
27. There was support expressed for the designation of the two conservation areas. A number of representations including those of Living Streets, the Walworth Society, Simon Hughes MP, Cllr Eckersley and English Heritage suggested that Walworth Road also be designated a conservation area. The council does not have sufficient evidence at the moment to take this designation forward. However, it will consider further evidence, should this be forthcoming and has not ruled out a future designation.
28. Several representations were submitted suggesting that additional buildings be shown as having the potential to be added to the council's local list of buildings of architectural or historic merit. Others suggested that particular buildings or indeed the entire list be deleted. The council will consult formally on the local list later in the year and this will provide an opportunity for groups and individuals to prepare further evidence to substantiate their recommendations.

29. The core strategy and London Plan indicate that tall buildings may be appropriate at Elephant and Castle. The SPD strategy for tall buildings has been informed by the characterisation appraisal and well as by thorough testing of the impacts of potential options in local and London-wide views. Among the options tested was a scenario similar to that promoted in the 2004 SPG which located the tallest elements of development on the shopping centre. However, it was concluded that very tall buildings on the shopping centre would be likely to detract from the Outstanding Universal Value of the Palace of Westminster world heritage site in views from the Serpentine Bridge in Hyde Park. This view was protected in the London View Management Framework in 2009 (after the 2004 SPG was adopted). The SPD states that tall buildings in the opportunity area will help signal its regeneration. The tallest buildings should act as focal points in views towards the Elephant and Castle along main roads and strengthen gateways into the town centre. Moving away from the tallest points, they should diminish in height to manage the transition down to the existing context.
30. Some representations suggested that the ellipses showing the gateway locations in Figures 14 and 15 be expanded or moved. Others suggested that specific reference be made to particular sites as being suitable for tall buildings. The purpose of the ellipses is to illustrate the principle that the tallest elements of buildings should be focused around those locations. Their purpose is not to identify specific boundaries where tall buildings may or may not be appropriate. Notwithstanding that, the council has adjusted the ellipse on Newington Causeway to ensure that it recognises the potential locations of the tallest buildings. The council has also amended the guidance on the height-to-width ratio to clarify that it applies to buildings which have a significant impact on the skyline and to ensure that the ratios reflect good examples of recently permitted development in Southwark.

### **Natural environment**

31. The amount of open space per capita is low in the Elephant and Castle in comparison with other areas of the borough. The SPD proposes a range of measures including a network of green routes, use of living walls and green roofs and new public park provision to improve green infrastructure. It advises trees which are lost as a result of development should be replaced by trees which increase canopy cover. If this is not possible, the council will seek financial contributions to improve tree planting elsewhere in the opportunity area.
32. These proposals were generally supported. Further explanation has been added to the SPD to clarify the purpose and character of green routes.

### **Transport**

33. The SPD promotes walking and cycling and proposals to improve the public realm. This includes the removal of subways on the northern roundabout and their replacement with surface crossings. The SPD acknowledges that improvements will need to be made to the capacity of the northern line station over the life of the plan. It has been agreed with TfL that the provision of 3 additional lifts would provide a fit-for-purpose solution. Funding for this will come from a variety of sources and will include s106 funding.
34. In response to concerns raised by the GLA, the council has provided clarification on the phasing of development to ensure that adequate infrastructure improvements are made. The GLA/TfL has confirmed that subject to the changes

the council are proposing, they have no objection to the SPD and consider it to be in general conformity with the London Plan.

35. 54 representations, including those of Southwark Cyclists, the Southwark Liberal Democrat group, Valerie Shawcross AM and Jenny Jones AM stated that the SPD should highlight the need for a safe, direct and convenient eastern cycle bypass connecting Walworth Road with Meadow Road. The SPD has been amended to include this principle.
36. 55 representations were submitted about the proposal to convert London Road into a public transport corridor and allow two-way traffic movement on St George's Road. Most were opposed, but some supported this proposal. Since the SPD was prepared, TfL have indicated that this proposal, while an aspiration, is no longer a priority. The SPD has been amended to indicate that this proposal would need to be explored further and that further consultation would need to take place if it were to be implemented.

### **Social and community infrastructure**

37. The SPD states that proposals should improve provision of arts, cultural, leisure and entertainment facilities and contribute positively to the evening economy. It notes that a new leisure centre will be built and that the need for further health facilities will be kept under review over the plan period. There is anticipated pressure for new secondary places which we are planning to meet by the provision of the new 5FE Aylesbury Academy in Walworth. It may be also be necessary over the life of the plan to increase primary school places in and around the opportunity area, which would be considered as part of standard primary place planning and strategy work.
38. Many representations indicated that the SPD should give more certainty on how the need for school places and health facilities will be met. However, given that the SPD has a 15 year time horizon it is difficult at this point to provide concrete proposals. The council will keep the need for school places under review and work closely with NHS Southwark to identify opportunities for new health facilities where and when the need arises.

### **S106 funding**

39. The council will use s106 funding to help secure key infrastructure needed, including open space, school places and community facilities. With the exception of strategic transport contributions, the SPD states that the council will continue to use the standard charges set out in the 2007 s106 Planning Obligations SPD to negotiate s106 contributions. The SPD proposes a new standard charge for strategic transport infrastructure.
40. A number of representations, including the Rockingham TRA's, stated that the SPD should prioritise community projects rather than transport infrastructure. Others stated that s106 monies should be ring-fenced to provide more certainty over the delivery of public realm, open space, green link and other improvements.
41. The purpose of s106 funding is to mitigate the impact of development. Improvements are required to northern line station and northern roundabout to accommodate the growth levels anticipated. If mechanisms to mitigate the impact of growth are not put in place, there is a risk that the regeneration of the

area will stall. The strategic transport tariff in the SPD reflects the cost of providing the necessary transport infrastructure.

42. The council recognises that there are other elements of infrastructure which will need to be improved, such as open space, public realm and community facilities. As is noted above, it will continue to negotiate s106 funding to realise these improvements using the standard charges in the existing s106 Planning Obligations SPD.
43. Over the summer, the council will be consulting on its draft preliminary community infrastructure levy and in conjunction with this will be consulting on updating the community project banks. This will provide the community with the opportunity to identify projects and their priority. Because CIL is a mandatory charge and because there is more flexibility in the way it can be spent, this should provide greater certainty over the delivery of priority projects.

### **Community impact statement**

#### **Equalities impact assessment**

44. An equalities impact assessment (EQIA) (Appendix D) has been carried out alongside the preparation of the SPD to assess the potential impacts on groups with protected characteristics. The EQIA consisted of a stage 1 scoping report and a stage 2 report. They considered both the potential impacts during the preparation of the SPD, such as through our consultation, and the potential impacts in terms of the eventual delivery of the SPD policies.
45. The EQIA identified a number of key issues to be considered in the preparation to the SPD. One of the most significant issues to be considered is the potential displacement of local businesses from the shopping centre and surrounding area. This may have a disproportionate impact on black and ethnic minorities, of which a larger percentage work in the existing SME businesses. As part of the preparation of the SPD, we held a consultation workshop targeted at members of the Latin American community, who are particularly prominent in terms of existing businesses in the central area. This could also have a negative impact on older people who have less opportunity to re-train in other areas and would be forced to move elsewhere if their current employment was removed. The SPD proposes that all developments of retail space in excess of 1,000sqm should provide a proportion of floorspace as affordable business space. Priority for such space will be given to businesses displaced by development in the opportunity area. We also stipulate that all new business space should be designed flexibly to accommodate a range of unit sizes, which would be suitable for the local office market and SME businesses. This should help mitigate impacts set out above.
46. The role of local faith communities has also been highlighted in the introductory sections of the SPD. The diversity of faith groups is noted, as is the need to ensure that the views of faith groups continue to inform the regeneration of the area. The SPD has been amended to stress that well valued community facilities, including faith premises, will be protected in accordance with the Southwark Plan.
47. Transport improvements could have a disproportionate impact on different groups with protected characteristics. The EQIA identified that the needs of those with disabilities, young families and older people will need careful consideration to ensure safe and accessible routes through new development. Increased

pedestrian and cycle routes 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. Safe and reliable public transport can also have a beneficial impact on more vulnerable groups such as older people, women and black and minority ethnic groups.

48. Improvements to the public realm and open spaces is likely to have a positive impact on all groups with protected characteristics however the needs of disabled people and people with young families will need to be considered to ensure everyone has equal access to these spaces. It is also 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. Guidance in relation to the design of public realm has been strengthened to reflect these issues. 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**

49. A sustainability appraisal has been prepared to help identify the environmental, social and economic issues that the SPD needs to address. The preparation of a scoping report was the first stage of the sustainability appraisal to assist in the preparation of the SPD 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 development in Elephant and Castle.
50. The next stage of the process involved appraising three options for regeneration against the sustainability objectives. These included; a) Business as usual (no SPD); b) Managed Growth: A major new town centre destination and c) Managed Growth: A district centre which meets local needs. The results of the appraisal showed that the overall impact of Option b) was more positive in terms of promoting a more distinctive and varied town centre with a mix of uses which in the long term would help promote sustainable communities than for Option a) and c). Option b) presented more of a balanced approach to the regeneration of the area by focusing on providing leisure facilities, employment opportunities, the public realm and community facilities as well as new homes. While this growth will increase demand for energy, water and generate more waste and traffic these impacts can all be mitigated by other measures which seek to reduce car parking, set energy guidance and design guidance. While the impacts of option 2 can also be mitigated against, overall Option 2 will have more sustainability benefits in the long term than Option 3 in terms of job creation, new skills, community cohesion, providing local services and community facilities improving walking and cycling routes, and reducing crime and fear of crime.
51. The options SA informed the draft policies within the SPD. These were subsequently appraised. For every policy, the positive impacts outweighed the negative impacts when assessed across the whole range of sustainability objectives. In some cases the policies have no significant impact with the sustainable objectives. Where the SA identified potential shortcomings of particular policies, mitigation measures are proposed to help off-set the negative

impacts. Many of these mitigation measures are policy requirements in either the Core Strategy or Supplementary Planning Documents (SPDs) such as the Sustainable Transport SPD, Residential Design Standards SPD, Sustainable Design and Construction SPD and Sustainability Assessment SPD. For example: Strategic Policy 13 in the Core Strategy, which sets out the council's targets for development to minimise their impacts upon climate change.

52. Following the consultation on the draft SPD, the SA has been finalised to take account of the changes that were made in response to the comments we received. The summary, the main report and the commentary has been updated to reflect the new text. These changes are shown as underlined in the final SA report. The changes were minor in nature and so did not impact on the overall results of the appraisal or the sustainability of the plan.

### **Financial implications**

53. This report is seeking cabinet approval for the adoption of the Elephant and Castle Supplementary planning document/opportunity area planning framework (appendix A) and to note the Consultation Report (appendix B), the Table of Representations Received on the Draft SPD and the Council's Response (appendix C), the updated Equalities Impact Assessment (appendix D), the updated Sustainability Appraisal (appendix E) and the Sustainability Appraisal statement (appendix F).
54. There are no immediate financial implications arising from the adoption of the contents of this report. The costs involved in adopting the SPD will be contained within existing Planning Policy team budgets without a call on any additional funding. There are no risks to other council budgets.
55. Any specific financial implications arising from the adoption of the final Elephant and Castle Supplementary planning document/opportunity area planning framework will be included in subsequent reports for consideration and approval.

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

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

56. SPDs are local development documents under the legislative framework established under the Planning and Compulsory Purchase Act 2004 ("the 2004 Act") and form part of the planning framework for the borough. SPDs cover a range of issues, both thematic and site specific, which expand upon policy. SPDs must not be used to allocate land and do not have development plan status and as such the presumption in favour of the development plan in s38 (6) of the 2004 Act does not apply to SPDs. This draft SPD complies with these principles.
57. A detailed procedure for the adoption of SPDs is set out in Part 5 of The Town and Country Planning (Local Development) (England) Regulations 2004 ("the Regulations"), and once adopted they may carry substantial weight as a material consideration in the determination of planning applications, where relevant.
58. SPDs are not subject to independent examination, however the legislation requires that they should undergo a rigorous procedure of community involvement. There is government guidance relating to Development Plan

Documents which best practice would dictate could also apply to SPD's. Therefore an SPD must:

- be consistent with national and regional planning policies as well as the policies set out in the development plan documents contained in the local development framework;
- be reviewed on a regular basis alongside reviews of the development plan document policies to which it relates; and
- ensure the process by which it has been prepared must be made clear and a statement of conformity with the statement of community involvement must be published with it

59. All the matters covered in SPDs must relate to and set out the further detail of policies in a development plan document or, as is the case here, saved policies in the Southwark Plan and be consistent with national planning policy and generally conform with the London Plan.
60. The draft SPD is accompanied by a sustainability appraisal, which is required under the Planning and Compulsory Purchase Act 2004 and Regulation 17 of the above Regulations. The new Town and Country Planning (Local Development)(England) (Amendment) (Regulations) 2009 provide that a SA report is no longer required if the respective issues are addressed at a higher policy level. Nonetheless, consistently with the Council's practice of preparing SA's for all of its SPDs to date an SA has been prepared. The purpose of the SA is to promote sustainable development through better integration of sustainability considerations into the preparation and adoption of plans. In accordance with this provision, a SA was prepared to ensure the wider impacts of the SPD policies were addressed. The Sustainability Appraisal has informed the preparation of the draft Elephant and Castle SPD/OAPF.
61. SPDs must also be subject to SEAs pursuant to the Environmental Assessment of Plans and Programmes Regulations 2004. In the case of this SPD, the SA contains within it the elements required to form a strategic environmental assessment (SEA). Members should note the contents of the SA in respect of this Policy before deliberating and deciding whether to adopt the SPD.
62. The proposed consultation process for this SPD was set out in the consultation plan, which accompanied it and conforms with the policies contained in Southwark's Statement of Community Involvement (including 6 week periods of informal consultation, followed by 6 weeks of formal consultation).
63. It is noted that following consideration of representations received on the consultation draft SPD, changes were made as identified in Appendix D. These changes are not deemed to be material and do not present new policy implications. Members are simply made aware of these changes and advised that they must be confident about the final content of the SPD before proceeding adoption.
64. Part 5 of the Regulations set out the requirements that must be met before SPDs are adopted. Statements of compliance, under Regulation 18(4), have been prepared in relation to all SPDs that confirm that the required statutory and other consultation requirements have been met. This includes an identification of the issues raised in the consultation process and the officer responses to those issues set out in Appendix B. The statements confirm that the steps required by

the SCI were carried out. Each statement also contains a Sustainability Statement in accordance with the Environmental Assessments of Plans and Programmes Regulations 2004.

65. In accordance with the SCI, the Council has also published a schedule identifying issues raised by each objector and, where relevant, the response to them. These schedules were provided to those making representations for information to provide increased transparency in the way the draft SPDs have progressed.

### **Equalities and Human Rights**

66. The Equality Act 2010 introduced a single public sector equality duty (PSED). 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 equality of opportunity between persons who share a relevant protected characteristic and those who do not
  - c) Foster good relations between those who share a relevant characteristic and those that do not share it.
67. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The PSED also applies to marriage and civil partnership, but only in relation to (a) above.
68. There has been compliance with the council's Approach to Equalities as well as the public sector equality duty as contained within section 149 of the Equality Act 2010. All six equality strands have been duly considered and assessed, this is evidenced at in the Equalities and Human Rights Impact Assessment (EqIA).

### **Functions**

69. Section 8 of Part 3F of the Council's Constitution gives Planning Committee the authority to comment on draft supplementary planning documents and make recommendations to the executive as appropriate.
70. Section 21 of Part 3C of the Council's Constitution gives cabinet the authority to adopt supplementary planning documents taking into account any comments made by Planning Committee.

### **Departmental Finance Manager**

71. This report seeks the adoption of the Elephant and Castle supplementary planning document / opportunity area planning framework. The costs involved in adopting the SPD will be contained within existing planning policy team budgets.



**BACKGROUND DOCUMENTS**

<b>Background paper</b>	<b>Held at</b>	<b>Contact</b>
Table of Proposed Changes to the SPD (available on the website)	160 Tooley Street, London SE1 2QH	Sandra Warren 020 7525 5471
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
Statement of Community Involvement 2008	160 Tooley Street, London SE1 2QH	Sandra Warren 020 7525 5471

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	Elephant and Castle supplementary planning document/opportunity area framework (circulated separately to members)
Appendix B	Consultation Report (available on the website)
Appendix C	Table of Representations Received on the Draft SPD and the Council's Response (available on the website)
Appendix D	Equalities Impact Assessment (available on the website)
Appendix E	Sustainability Appraisal (available on the website)
Appendix F	Sustainability Statement (available on the website)

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Fiona Colley, Regeneration and Corporate Strategy	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Author</b>	Tim Cutts, Acting Head of Planning Policy	
<b>Version</b>	Final	
<b>Dated</b>	9 March 2012	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Departmental Finance Manager	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		9 March 2012

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Disposal of 143 Barry Road, SE22 and 19 Oakhurst Grove, SE22	
<b>Wards affected:</b>		Peckham Rye and East Dulwich	
<b>From:</b>		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

This report proposes the sale of the council's freehold interest in 143 Barry Road, SE22, and 19 Oakhurst Grove, SE22, with the capital receipts being earmarked for the housing investment programme to contribute towards making every council home Warm, Dry and Safe.

Both properties are currently empty, and are at risk of deterioration and being squatted. Furthermore, the Barry Road address is in a considerable state of deterioration that would require substantial investment to bring up to a lettable condition.

The sale of both properties is consistent with both the council's void strategy agreed in March 2009 (as part of the report on Capital Income Generation for the Housing Investment Programme and Hidden Homes) and the May 2011 void disposal strategy.

**RECOMMENDATION**

That the cabinet authorises

1. The head of property to dispose of the council's freehold interest in 143 Barry Road, SE22 and 19 Oakhurst Grove, SE22 (the "Properties"), for a sum that in each case equates to the market value of the property.

**BACKGROUND INFORMATION**

2. On 17 March 2009 the then executive received a report from officers entitled 'Capital income generation for the Housing Investment Programme and Hidden Homes'. Amongst the recommendations of this report the executive noted the funding gap to meet its investment needs for its housing stock, to deliver a Southwark Decent Homes Standard for all tenanted homes. Further to this the executive noted the considerations for different funding options which were identified in the April 2008 executive report (Southwark's Decent Homes Standard), and agreed the disposal of empty homes (voids) – in line with paragraphs 16-25 of the March 2009 report.
3. Executive further resolved on the 17 March 2010 'that 100% of the receipts generated from the additional disposal of voids and land proposed by this report are

used to fund both the housing investment programme to deliver Southwark's Decent Homes Standard and to deliver new housing through a Hidden Homes strategy and potentially some new build'.

4. The properties have been identified as suitable for disposal as they meet the value requirements of the amended criteria set out in the 31 May 2011 cabinet decision which reviewed the void strategy, i.e. it is considered that each of the properties has a value in excess of £300,000.
5. 143 Barry Road is a two storey semi detached Victorian house. It requires substantial investment to make it habitable and has some serious disrepair issues. 19 Oakhurst Grove comprises a three storey Victorian semi detached house. It is currently arranged as two self contained units. It is in a fair condition internally and externally but would benefit from refurbishment and updating. The properties are identified in bold outline on the attached Ordnance Survey extracts at Appendices A & B.
6. Both properties are currently empty and are at further risk of deterioration and becoming squatted.
7. The properties are held in the housing fund (HF).
8. Authority to sell is delegated to the head of property in individual cases where the sale price is below a set council threshold. The sale price of the properties will exceed this limit and cabinet approval is therefore required.
9. The properties have been declared surplus to the council's requirements by the director of regeneration.

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

10. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration and/or market value requirements. The sale of the properties will comply with these requirements.
11. 19 Oakhurst Grove is currently being marketed through Winkworth, who are a long established Southwark based firm of estate agents. The property will be actively marketed for a minimum of forty two days before any bids will be considered by the council. Depending on the level of interest informal tender may be used to identify the highest bidder. However, if the head of property considers that another method of sale will yield a higher capital receipt, then he may revert to an alternative means of sale. It is considered that due to the structural problems found at 143 Barry Road then a sale by auction to be the most appropriate method of sale in this instance.
12. The sale of the properties to owner occupiers, developers and/or investors should ensure that they are quickly brought back into beneficial use.
13. This report recommends that the receipt from the sale of the properties be earmarked for the housing investment programme.

### **Policy implications**

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

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

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

### **Community impact statement**

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

### **Resource implications**

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

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

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

25. As the properties fall within the council's housing portfolio, the disposal can only proceed in accordance with Section 32 of the Housing Act 1985 for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
27. A number of general consents have been issued in the General Housing consents 2005 to enable the council to dispose of the properties either by private treaty or at auction;-
  - (1) Under Consent A3.1 a local authority may dispose of a vacant dwelling-house to an individual, who intends to use it as his only or principal home, for a consideration equal to its market value.
  - (2) Under Consent A3.2 a local authority may dispose of a vacant dwelling-house to any person for a consideration equal to its market value, where the dwelling-house is in need of substantial works of repair, improvement or conversion and that person enters into a covenant to carry out those works and then to dispose of the dwelling-house or any dwelling-house created from it to an individual who intends to use it or any dwelling-house created from it as his only or principal home.
  - (3) Under Consent A5.1.1 of the general consent for the disposal of Part II dwelling-houses, a local authority may, subject to the provisions of that consent, dispose of one vacant house or vacant flat or vacant converted house to any individual for a consideration equal to its market value, provided that the purchaser (alone or with others) has not, under the consent in the paragraph A5.1.1 acquired another dwelling-house from the authority previously in the same financial year.
28. The report confirms that the properties are vacant. The head of property will need to ensure that the disposal price for each of the properties is equal to its market value and the report sets out at paragraph 11 how this will be done.
29. In order to comply with Consent A5.1.1 the council will also need to ensure that the purchaser of each of the properties confirms in the agreement for sale that they have not (alone or with others) purchased another property from the council in the same financial year. In order to comply with Consent A3.2 the council will need to ensure that a covenant by the buyer is included in the Transfer to carry out the works and to dispose of the property.
30. The report indicates in paragraph 9 that the Director of Regeneration has declared the properties surplus to the council's requirements.

31. This decision is reserved to cabinet under Part 3C, paragraph 13 of the council's constitution.

#### **Finance Director**

32. This report recommends that the head of property dispose of the council's freehold interest in 143 Barry Road, SE22 and 19 Oakhurst Grove, SE22 for consideration that in each case would equate to best value for these properties i.e. the value as considered they are worth on the open market.
33. Both properties are Housing Fund properties and have been declared surplus. Reasonable management, legal charges as well as sales and marketing expenses will be refunded from the receipts, and the loss of rental income has been factored in via the void strategy.
34. The finance director notes that the executive resolved on the 17 March 2010 'that 100% of the receipts generated from the additional disposal of voids and land used to fund both the housing investment programme to deliver Southwark's Decent Homes Standard and to deliver new housing through a Hidden Homes strategy and potentially some new build'.
35. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
143 Barry Road, SE22 and 19 Oakhurst Grove, SE22	Paul Davies Development Team, Property Division, 160 Tooley Street, SE1 2TZ	Paul Davies on 020 7525 5529

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	OS plans, indicating 143 Barry Road, SE22
Appendix B	OS plans, indicating 19 Oakhurst Grove, SE22

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Cabinet Member for Finance, Resources and Community Safety	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Author</b>	Paul Davies, Principal Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	9 March 2012	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		9 March 2012

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TITLE.

143 Barry Road, SE22 0JP.

APPENDIX A



DRAWING No.

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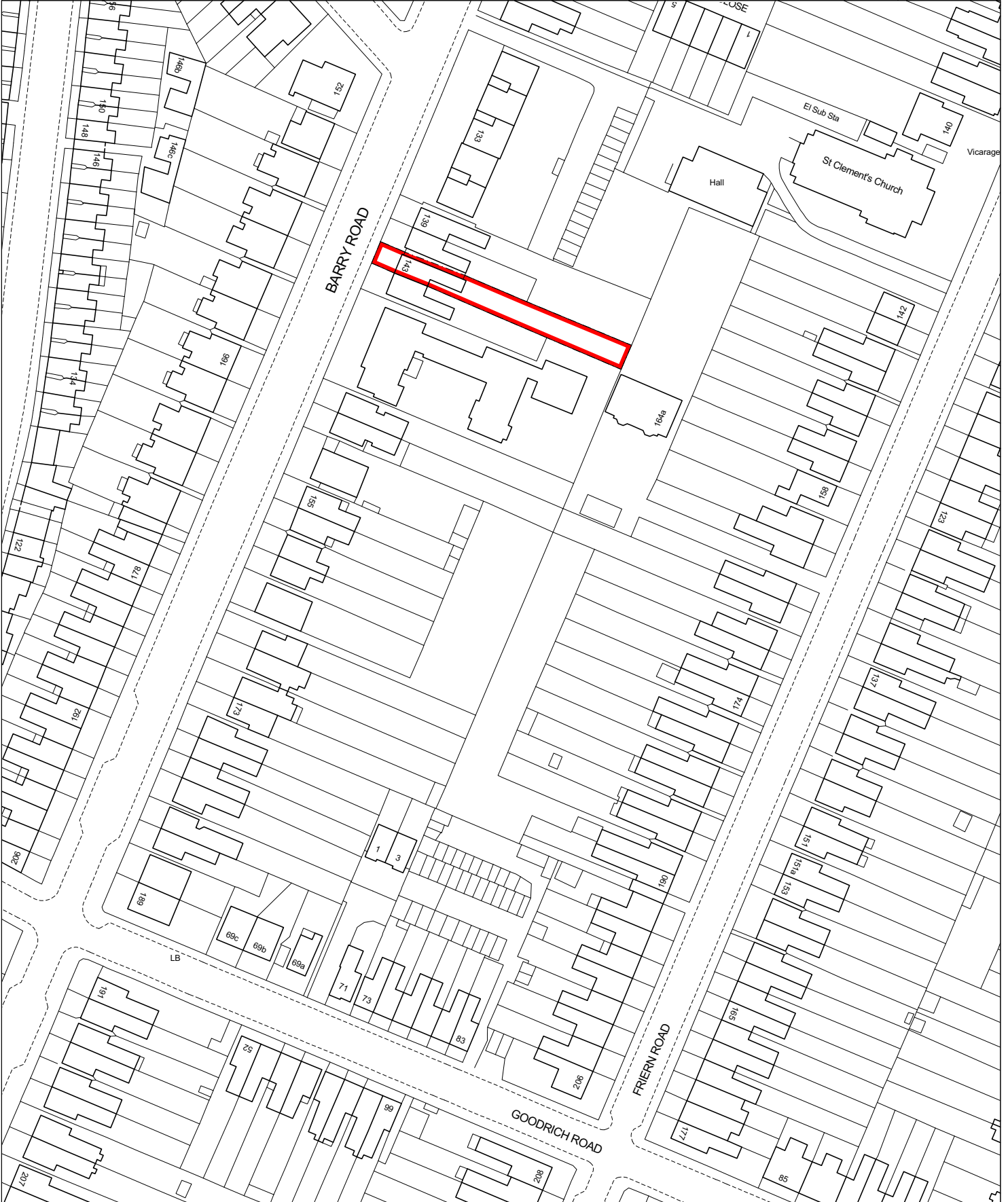
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TITLE.

19 Oakhurst Grove, SE22 9AH.

APPENDIX B



DRAWING No.

LBS\_2755

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Property Division

DATE.

14/2/2012

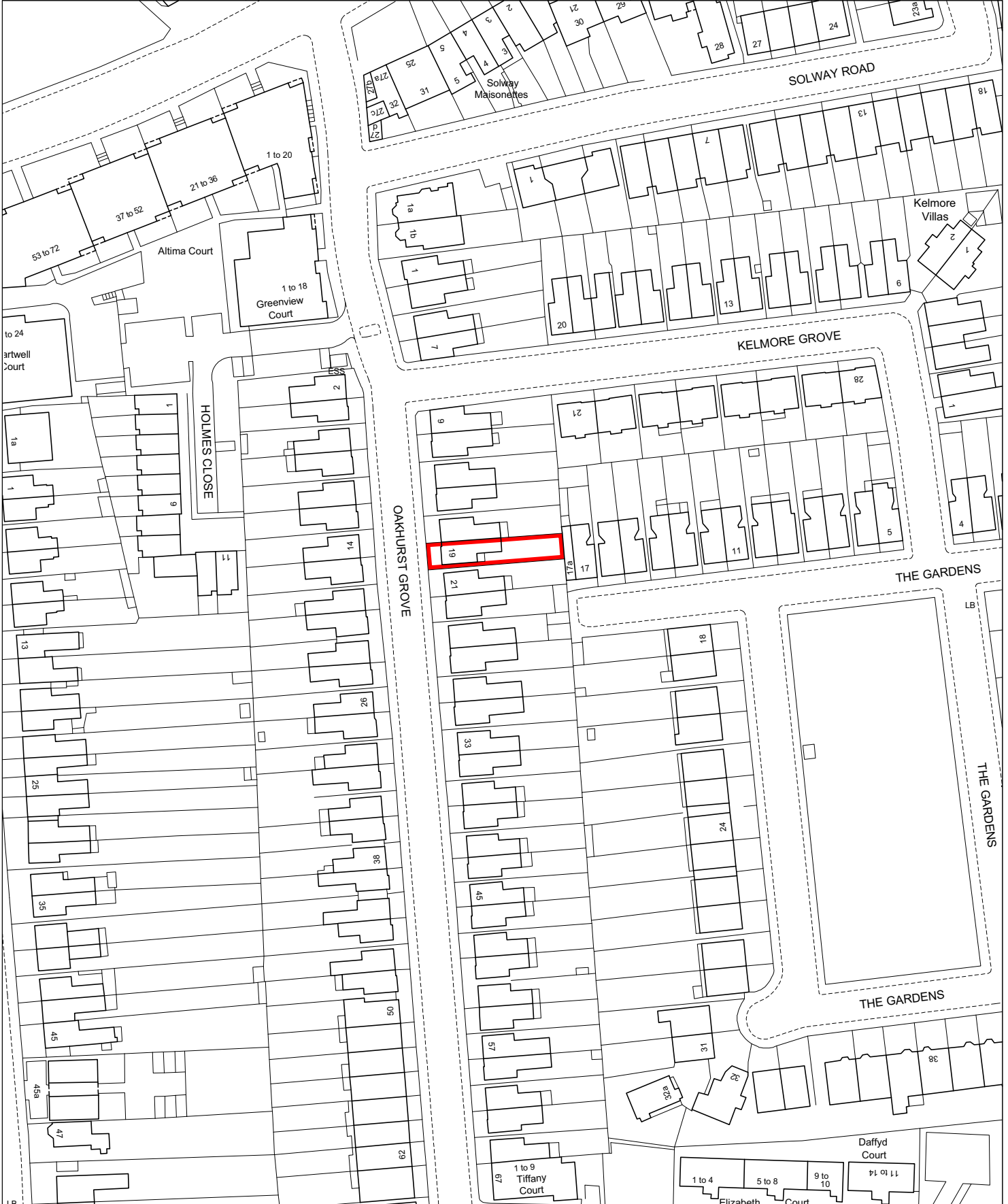
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<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Bowley Close, Crystal Palace, SE19 – Freehold Property Transfer to LBS from PCT	
<b>Ward(s) or groups affected:</b>		College and Borough wide	
<b>Cabinet Members</b>		Councillor Richard Livingstone, Finance, Resources and Community Safety and Councillor Dora Dixon-Fyle, Health and Adult Social Care	

**FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY & COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE**

This report proposes the acquisition of the freehold interest in a small residential care home for people with complex learning disabilities at Bowley Close, SE19 from Southwark Primary Care Trust (PCT). This transfer at nil cost results from government's decision in 2009 to give local authorities greater responsibility for services for people with learning disabilities.

The property comprises four flats, four bungalows, a two storey house and a large retaining wall and embankment along Crystal Palace Parade. Liabilities relating to this wall and embankment transfer to the council along with the asset. The transfer will take place through a grant from the PCT to effect the purchase of the freehold, together with revenue to address the liabilities relating to the wall and embankment. The leasehold for this property is held by Hyde Housing Association and this lease will remain in place with the transfer.

This transfer is a positive way of increasing the independence of people with learning disabilities; providing them with the housing options which are available to other members of the community, coupled with more control over their finances through personal budgets. The choice to choose where they live and have their own tenancies will afford the residents with more stable lives, in keeping with our vision for adult social care.

**RECOMMENDATIONS**

That the cabinet

1. Approves the acquisition of the freehold interest in a small residential care home complex at Bowley Close, London, SE19 1SZ (see the plans at Appendix 1) from Southwark Primary Care Trust (PCT)
2. Delegates the agreement of the detailed terms of the transaction to the head of property.

## **BACKGROUND INFORMATION**

3. This paper concerns a government-required transfer of residential care property assets from the Southwark PCT estate to Southwark Council, at nil cost. (The acquisition will be at market value, as determined by the District Valuer, but funded by the payment of a grant from the Department of Health (DoH) for the total value).
4. In 2008, the government revised its policy on commissioning and funding Social Care for People with Learning Disabilities. This strategy saw the council taking responsibility for services previously part-funded by the NHS. In June 2009, the Department of Health (DoH) stated that “(fixed) assets used by NHS organisations for providing learning disability services which are covered in the revenue transfer are also transferred as part of this programme”.
5. The DoH also indicated that the PCT should take legal charges on the properties transferred – allowing the PCT a continued say in the use of former NHS property, and introducing some controls over any subsequent disposal.

### **Bowley Close (“The property”)**

6. The property comprises a residential care home development of 9 units, constructed in the late 1980s on a plot of land situated very close to Crystal Palace. The units comprise four flats, four bungalows and a two storey house. (The care home, with a land area of approx. 0.366 hectares (0.9 acres), is indicated in green shading on the site plan at Appendix 1).

### **Inclusion of retaining wall**

7. Included with the property is a strip of land, comprising a large retaining wall and tree-planted embankment, approx. 300m in length, which supports the (approx. 10m higher) elevated Crystal Palace Parade roadway. (This is marked in blue shading on the appended site plan).
8. The structural integrity of the wall has been confirmed, following remedial works done at the PCT’s expense, and an annual budget for future maintenance of the wall, structure insurance, and maintenance of the tree-planted embankment will be provided by health & community services to public realm.

### **Existing lease**

9. The property is currently subject to a lease to Hyde Housing Association (which provides the property management part of the care package), the main terms of which are listed at Appendix 2 of the closed report. The lease will remain in place, following the council’s acquisition of the property.

## **KEY ISSUES FOR CONSIDERATION**

10. The acquisition of the property is seen as a benefit to the council, in supplying capital assets for the provision of care to this client group.

11. There are risks to the council, arising mainly from the inclusion of the retaining wall and the necessity to maintain this in perpetuity. There is no reason to think that any major work will be needed in the future, merely a cyclical maintenance plan. However, to minimise that risk, insurance cover will be taken out. The public realm division has agreed to take responsibility for the retaining wall and embankment part of the property, following the acquisition. It will remain in the freehold ownership and management of the council, leaving the care home site unencumbered/ unaffected.
12. The head of property considers that this transaction provides assets to support changing responsibilities, at no cost to the council – and, in view of the government directive, considers that the matter should proceed.

### **Financial implications**

13. This transfer of capital from Southwark PCT to the council takes effect at market value via a PCT grant mechanism. The grant to purchase 1-6 Bowley Close has been authorised by the Department of Health and will be drawn down by the PCT prior to transfer.
14. On government suggestion, Southwark PCT should request a legal charge on the property. The function of a charge is to give the PCT a continued say in the use of what was NHS property and, importantly, to ensure that it cannot be disposed of subsequently without NHS consent. The PCT, in discussion with the council, will agree the content and structure of the legal charge.

### **Policy implications**

15. The proposed acquisition of the property arises from national policy contained in the White Paper refresh document 'Valuing People Now' (2009). Among other things, this document seeks to clarify health and social care responsibilities, pertaining to people with learning disabilities, between local authorities and the National Health Service. This clarification extended to health authority capital assets being used to deliver social care having to transfer to local authorities.

### **Community impact statement**

16. The acquisition of the property will assist financially in the provision of accommodation for the client group.

### **Resource implications**

17. The management of the property will be contained within existing resources. The commissioning work required to modernise these services is already identified within the health & community services business plans.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

18. Cabinet is recommended to approve the acquisition of the freehold interest in the property of which the market value has been determined by the District Valuer, from Southwark PCT, at a nil consideration.

19. Cabinet is advised that the council has power under Section 120 of the Local Government Act 1972 (“the 1972 Act”) to acquire by agreement any land, whether situated inside or outside their area for the purposes of (a) any of their functions under the 1972 Act or any other act , or (b) the benefit, improvement or development of their area. The council also has powers under subsection (2) of the 1972 Act to acquire by agreement any land for any purpose for which they are authorised by the 1972 Act or any other act to acquire land, even if the land is not immediately required for that purpose; and until it is required for the purpose for which it was acquired, any land acquired under this subsection may be used for the purpose of any of the council’s functions.
20. This decision is reserved to cabinet under Part 3C, paragraph 15 of the council’s constitution.

**Finance Director (NR/F&R/27/2/12)**

21. This report recommends that the cabinet approves the acquisition of the freehold interest in a small residential care home complex at Bowley Close, London, SE19 1SZ from Southwark Primary Care Trust (PCT) and delegates the agreement of the detailed terms of the transaction to the head of property.
22. The finance director notes the financial implications contained within the report, the conditional nature of the grant and the need for the council to work closely with the PCT in terms of the future use of the property.
23. Financial and legal officer input will be needed to ensure the transfer is correctly undertaken and officer time required to undertake the transfer will be resourced through existing budget allocations.

**Strategic Director of Health & Community Services**

24. Health & community services welcomes the transfer of this property from Southwark PCT. The acquisition of the property creates an opportunity to significantly improve the ordinary housing options available for people with learning disabilities living in Southwark. This accords with the council’s Learning Disability Accommodation Strategy 2009 -2013 – A Good Place to Live.
25. This strategy seeks to reduce our reliance on residential care, which is expensive and institutional, by replacing it with more ordinary housing options for people with learning disabilities. These options range from home ownership to various forms of renting in the public or private sector.
26. When linked with personalised support, funded from a personal budget, these ordinary living options promote social inclusion by allowing people with learning disabilities to live in communities of their choice and to have control over how they are supported to live their lives in ways they choose.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Electronic files held on council's servers	Property Division, 160 Tooley Street, London SE1 2QH	John O'Kelly 020 7525 5637
A Good Place to Live – Southwark Learning Disability Accommodation Strategy 2009- 2013	Health & Community Services, 160 Tooley Street, London SE1 2QH	Chris Dorey 020 7525 3679

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1a	Site/ Property Plan
Appendix 1b	Location Plan

**AUDIT TRAIL**

<b>Cabinet Members</b>	Councillor Richard Livingstone, Finance, Resources and Community Safety and Councillor Dora Dixon-Fyle, Health and Adult Social Care	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Author</b>	John O'Kelly, Senior Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	9 March 2012	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Strategic Director of Health and Community Services	Yes	Yes
<b>Cabinet Members</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		9 March 2012

Draft pdf source

TITLE. Land at Bowley Close, SE19 1 SZ.



DRAWING No. LBS\_2573(Layout 1)

DRAWN BY. MMANKTELOW  
Property Division

DATE. 16/2/2012

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TITLE.

**APPENDIX 1B**

LOCATION PLAN

Land at Bowley Close, SE19 1 SZ.

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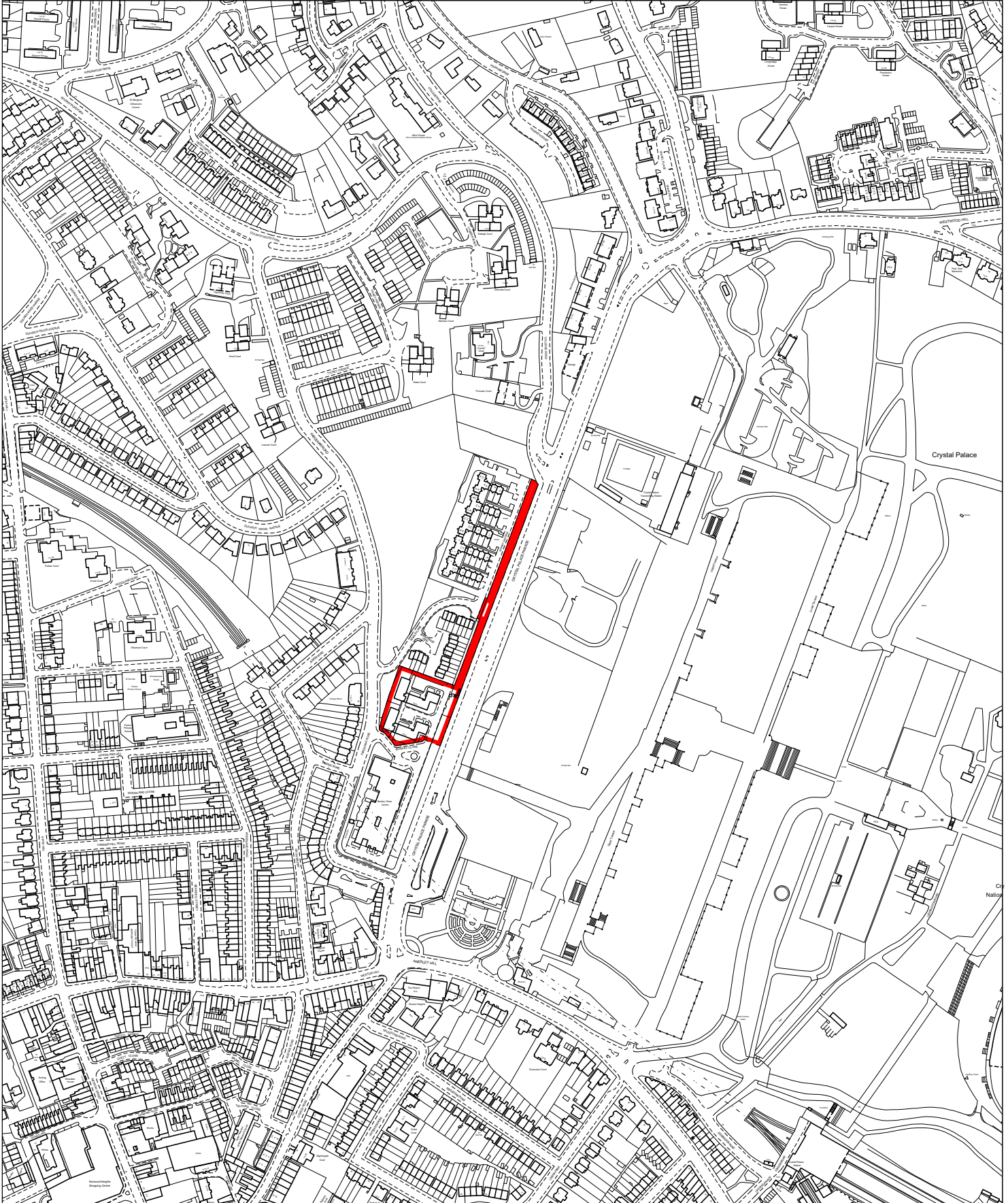
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<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Acquisition of Office Accommodation (Block J) at Queens Road, London SE15 2HP	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

This report proposes the council's purchase of office block J of the development at the junction of Queens Road and Lugard Road, SE15. The site is across Lugard Road from the block F offices that the council has already leased and is currently fitting out for opening in the summer. Both properties are across Queens Road from the station, which will become part of the London Overground network later this year.

Purchasing this property will be the final piece of the accommodation strategy jigsaw to ensure that we improve the quality of the office accommodation for our staff whilst controlling operating costs. It will also ensure that the council is achieving more balance in its location in the borough, providing a substantial second office location in the south of the borough to complement 160 Tooley Street in the north. The rail link to London Bridge provides a speedy link between these two centres.

### **RECOMMENDATIONS**

That the cabinet:

1. Approves the acquisition of the freehold in (block J) Queens Road, London SE15 2HP (identified edged red on the attached plan) on the terms specified in the closed version of this report.
2. Approves the reallocation of existing capital budget in the revised office accommodation strategy capital programme for the acquisition and fit out including all fees as detailed in the report.
3. Notes that a capital out-turn refresh report will be presented to cabinet in the first quarter of 2012/13 reflecting the changes in the overall budget that this report is proposing.

### **BACKGROUND INFORMATION**

4. Cabinet approved the revised office accommodation strategy at its meeting on 23 November 2010 including the principle of an acquisition of a lease in blocks F and J at Queens Road on a lease not to exceed 20 years. Approval of detailed lease terms was delegated to the chief executive.
5. The revised office accommodation strategy committed the council to maximise the use of 160 Tooley Street. Tooley Street has shown itself to be adaptable to

change and the council has continued to push the productivity of space, managing fluctuations in service requirements and encouraging high occupancy rates. Overall 350 staff have been able to move in, in addition to the original cohort, accommodating major service change at minimal additional cost to the council. For example, the new housing central operations team was recently absorbed into Tooley Street, accelerating the delivery of the new structure and associated service improvement.

6. In addition to maximising the use of Tooley Street, the accommodation strategy agreed the council's requirement for a further operational office site in the centre or south of the borough for specialist services that do not fit efficiently into the Tooley Street model or which are geographically more appropriately located in that area. A preferred option was identified adjacent to Queens Road station and a delivery project was established.
7. A lease of block F Queens Road (132 Queens Road) was completed on 1 June 2011 for a term of 20 years subject to 5 yearly upward only rent reviews. Subsequently procurement for fit-out of the property was completed and the build project is currently underway with practical completion expected this summer. The office block will provide modern, flexible and sustainable accommodation for 350 staff and will be ready for occupation during the summer of 2012. Major staff groups will include health and social care, housing management and community safety.
8. The chief executive did not use her delegation to proceed with a lease of block J as the officer report subsequent to the cabinet decision noted that:
  - The terms on offer at the time were relatively expensive;
  - The area available for use within block J was relatively small and that therefore the fit-out project was relatively expensive and;
  - Immediate accommodation demands could be met through alternative schemes.
9. Since this decision:
  - The developer has confirmed that the whole building will be available for the exclusive use of Southwark
  - Further feasibility has demonstrated that the property's second staircase can be removed, increasing the space available and increasing the value for money of acquisition and fit out
  - Further accommodation requirements have been confirmed that a feasibility study has shown can be accommodated in block J.
10. Officers therefore recommend that the benefits described in the business case of the revised office accommodation strategy can now be achieved and enhanced through the acquisition of block J as an operational office building.
11. Reactivating the acquisition of block J would fulfil anticipated accommodation requirements in terms of space, quality, and flexibility. The proximity of block J to block F can be expected to bring efficiencies in operations and in space utilisation. The geographic location matches that identified as required in the 2010 Office Accommodation Strategy.

12. The condition of the building and its status as available immediately along with the proposed procurement and design route that makes use of experience already available from the block F project would make for a rapid fit-out process.

## **KEY ISSUES FOR CONSIDERATION**

### **Property issues**

13. Block J is a detached four-storey building fronting Queens Road located immediately to the east of block F on the opposite side of Lugard Road. It provides 640 sq/m (6888 sq/ft) of net office accommodation built to an appropriate specification. It is currently in shell condition and would require fitting out to a standard consistent with the fit out of block F.
14. The benefits and economies of co-location arising from locating a critical mass of staff in one place are described in detail in the business case for the office accommodation strategy agreed in 2010. This also satisfies the council's objective to have a large operational office facility in the centre or south of the borough.
15. A freehold purchase has been recommended rather than a lease (as was the case for block F) for the following reasons:
  - Block J is a smaller building so the initial proposed capital investment is less than would have been the case with block F
  - The construction is of good quality and has a potential alternative use (subject to planning) should the accommodation become surplus at a future date;
  - Any risk with the purchase option is mitigated by the option to sell the freehold offering the council as a tenant (this would be an attractive investment for the market) on a basis to suit operational requirements at that time.
16. Further, property officers advise that this part of Queens Road is a fast improving area and the council would therefore be in a position to benefit from any capital uplift to its asset. Queens Road has excellent public transport links to the east and west via buses and is served by the adjacent Queens Road Network Rail station serving London Bridge and Victoria. From late 2012 phase 2 of the East London line extension will bring London Overground services to Queens Road station linking the new offices west to Clapham Junction, north to Surrey Quays and the City and south to Crystal Palace and Croydon. In parallel Network Rail has embarked on a major station refurbishment to improve the station plaza, entrance and surroundings due to be completed by late 2012.
17. The council has instructed agents to negotiate the acquisition price on their behalf, with the fee being on an incentive basis linked to their success, subject to a small fixed minimum fee.
18. There is a long-leasehold interest in part of the building for which the developer has agreed terms for its surrender. The proposed sale to the council will therefore be on the basis of vacant possession of the entire building. There are no other legal restrictions either in the title or apparent from a site inspection which would prevent or limit the council's plans for the building.

19. Test fits have been carried out by consultant architects to confirm that the building is physically capable of meeting the council's standard flexible work-space requirements.
20. A technical due diligence survey has been commissioned with verbal feedback from the consultant confirming that there are only minor issues arising.
21. Following advice on procurement it is anticipated that the fit out works for block J can be carried out by the professional consultant and works contractor currently carrying out the fit out of block F using the same framework arrangements. The block F fit out is programmed to finish in summer 2012 following which the contractor would be free to move on to block J.
22. In order to maximise benefits and reduce project costs, the procurement process has commenced with the Gateway 1 report being signed off on 16 February 2012 approving the procurement strategy. It is confirmed that there will be no contractual commitment until there has been an exchange of contracts for the acquisition of the freehold.
23. The estimated cost of the fit out for block J is specified in the closed version of this report.

#### **Accommodation requirements:**

24. The next phase of office rationalisation is to work with service managers to identify opportunities to minimise the future costs of accommodation currently paid for through service contracts. We would seek to re-provide office facilities within the council's own estate where this represents best value for money.
25. Further, as a number of key contracts come to an end over the medium term, including the corporate customer service contract, the council's direction of travel is to reduce transactional costs and the complexity of service arrangements by reducing the separation of front and back office where this improves customer service. The council's preferred future customer services delivery model is an in-house option, including the provision of an integrated call centre.
26. Queens Road has been identified as a site suited to the delivery of such a service. A feasibility study has shown that a medium sized facility accommodating 120-140 staff can be provided in block J and that this will substantially meet the council's medium term requirements.
27. In common with 160 Tooley Street and Queens Road block J, block F would be fitted out with maximum flexibility to a generic office standard. Proximity to block J will allow for the sharing of meeting and where appropriate, welfare facilities, increasing the efficiency. Security, facilities and reception functions will also be shared.
28. Excellent transport links at Queens Road make this site ideally located to provide in-house, back office functions.

#### **Capital implications**

29. An initial capital allocation was made for implementing the revised office accommodation programme incorporating estimated commissioning costs for

Queens Road block F.

30. This initially approved capital allocation is not sufficient to cover the acquisition cost which was not assumed in the original report.
31. In addition, a comprehensive update to feasibility and design work has identified additional cost requirements for the fit out process.
32. Therefore additional funding from the capital programme as outlined in the closed report, will be required and will be reported in the capital refresh process.
33. It should be noted that disposal receipts arising from the office accommodation programme are achieving significantly higher returns than original prudential estimates assumed and that therefore additional capital is available to fund this requirement.

### **Revenue implications**

34. Although the capital requirement has increased from that outlined in the initial strategy report, on-going revenue expenditure at block J will be sustainably reduced from that anticipated as rent will no longer be required, thereby reducing the overall revenue cost to the HRA and the general fund.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

35. Section 120 (1) of the Local Government Act 1972 (“the 1972 Act”) authorises the council to acquire any land by agreement for the purposes of (a) any of its statutory functions or (b) for the benefit, improvement or development of its area. By virtue of Section 120 (2) of the 1972 Act the council may acquire by agreement any land for any purpose for which they are authorised by the 1972 Act or any other Act to acquire land, notwithstanding that the land is not immediately required for the purpose; and until it is required for that purpose, it may be used for the purpose of any of the council’s functions.

### **Finance Director**

36. Detailed in the closed report.

## **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Revised Office Accommodation Strategy-Cabinet 23 November 2010	Corporate Programmes Unit, 160 Tooley Street, London SE1 2QH	Robin Rogers 020 7525 5179

**APPENDICES**

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

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Finance, Resources and Community Safety	
<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Authors</b>	Peter Barter, Corporate Property & Robin Rogers, Head of Corporate Programme Unit	
<b>Version</b>	Final	
<b>Dated</b>	8 March 2012	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Corporate Facilities Management	Yes	Yes
<b>Cabinet Member</b>		
<b>Date final report sent to Constitutional Team</b>	8 March 2012	

# Draft pdf source

TITLE. Block J,  
Queen's Road, SE15.



DRAWING No. LBS\_2768

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Property Division

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DATE. 28/2/2012

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<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 20 March 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Motions Referred from Council Assembly	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Law, Communities & Governance	

## RECOMMENDATION

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

## BACKGROUND INFORMATION

2. Council assembly at its meeting on Wednesday 25 January 2012 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 020 7525 7228



**APPENDICES**

<b>Number</b>	<b>Title</b>
Appendix 1	Motion on themed debate - Environment
Appendix 2	Changes to NHS Southwark
Appendix 3	Save Chambers Wharf

**AUDIT TRAIL**

<b>Lead Officer</b>	Ian Millichap, Constitutional Manager	
<b>Report Author</b>	Lesley John, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	9 March 2012	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Environment & Leisure	Yes	To follow
Deputy Chief Executive	Yes	To follow
Strategic Director of Health and Community Services	No	No
Strategic Director of Communities, Law & Governance	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>		9 March 2012

**Motion on Themed Debate: Environment**

At council assembly on Wednesday 25 January 2012 a motion on the theme of the environment was moved by Councillor James Barber and seconded by Councillor Paul Noblet. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**Recommendation**

- (1) That council assembly believes that even in times of austerity protecting our natural environment is one of the most important issues for the borough and must remain a key priority for the council.
- (2) That council assembly believes this is recognised by all political parties and so calls on councillors to work together to suggest innovative ways for the council and Southwark residents to tackle carbon emissions and protect our natural environment.
- (3) That council assembly notes that the majority of emissions from transport in Southwark are from road vehicles and welcomes the council's transport plan which aims to reduce the impact of transport on air quality by encouraging sustainable travel choices within the borough.
- (4) That council assembly believes that the council should set an example in energy efficiency and welcomes the fact that it has delivered on its promise to reduce carbon emissions in council buildings by 8.5%.
- (5) That council assembly welcomes the introduction of food waste recycling to all street-based properties in the borough and notes the impact this is already having in areas involved in the scheme where recycling has increased to 51%.
- (6) That council assembly calls on members to consider these issues and discuss:
  - How the council can encourage more sustainable travel, especially safe cycling and walking
  - How the council can promote energy efficiency, not just in buildings owned by the council, but in all properties
  - Given the huge reductions in the council's budget this year and in the coming years, how the council can protect the public realm, Southwark's parks and green spaces.
- (7) That council assembly notes the stated aim of the coalition government to be the "greenest government ever" and calls on members to consider how Southwark can use government funding to support green investment and green jobs in our borough.

**Comments of the Strategic Director of Environment and Leisure**

To follow.

### Changes to NHS Southwark

At council assembly on Wednesday 25 January 2012 a motion on changes to NHS Southwark was proposed by Councillor Neil Coyle and seconded by Councillor Mark Williams. The motion was subsequently amended and the amended motions stands referred to the cabinet as a recommendation.

#### Recommendation

1. That council assembly recognises and appreciates the excellent work done by doctors, nurses and other health workers in Southwark.
2. That council assembly believes the government's Health and Adult Social Care Bill is creating uncertainty in the NHS at a time when budgets are already tight and regrets that Southwark PCT will be required to hold back £21 million, which could be spent on patient care, to pay for the government's reorganisation.
3. That council assembly believes the government's top down reorganisation lacks direction and is an unnecessary distraction to Southwark's NHS staff at a time when they want to focus on patient care.
4. That council assembly also notes that the number of people in Southwark waiting more than 18 weeks from referral to treatment has increased by 168% since May 2010 – the largest increase in London.
5. That council assembly believes the government's decision to abolish waiting time targets has led to this increase in Southwark and now means fewer than 90% of Southwark patients are being treated within 18 weeks.
6. That council assembly believes giving patients' certainty about when they will be treated is fundamentally important to their health and that low waiting times are a benchmark for excellence in the NHS.
7. That council assembly welcomes the opposition of Harriet Harman and Tessa Jowell to the government's NHS reforms and notes Simon Hughes's comments on 8 December that there had been a "particular issue" in Southwark regarding waiting times. It hopes that instead of blaming hardworking NHS staff in Southwark Simon Hughes will take their side and oppose the government's NHS reforms.
8. That council assembly rejects David Cameron's assertion that there was a "real problem" with nursing in UK hospitals and believes that if the Conservative/ Liberal Democrat government really wants to help nurses in Southwark to focus on patient care, it should listen to what nurses are saying and drop this unnecessary health bill.

### **Save Chambers Wharf**

At council assembly on Wednesday 25 January 2012 a motion on saving Chambers Wharf was proposed by Councillor Peter John and seconded by Councillor Claire Hickson. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

#### **Recommendation**

1. That council assembly notes the unquestionable importance of a clean River Thames, but notes the purchase of Chambers Wharf by Thames Water and that it is the company's preferred construction site in Southwark for a "Super Sewer" junction.
2. That council assembly notes that 150 residential properties, two schools with over 1000 students and the Thames Path are situated very near to the Chambers Wharf site.
3. That council assembly regrets the impact Thames Water's plans could have on the local community and notes that construction will take at least seven years, three years of which will be 24 hours a day for 7 days a week. This will not only lead to an increase in noise pollution but to increased heavy vehicle traffic on the local roads, which are not only narrow but also where the schools are located posing a real danger to school children and local residents.
4. That council assembly believes construction so close to residents and schools for such a length of time would be a major source of air pollution possibly causing respiratory illnesses, asthma and bronchitis.
5. That council assembly is also concerned that Southwark residents' water bills are likely to increase by £70 per year if Thames Water's proposal goes ahead and, once completed, Thames Water cannot guarantee there will not be sewage smells from the site.
6. That council assembly requests the cabinet to call on Thames Water to find an alternative non-residential site to Chambers Wharf that will have no impact on Southwark residents and welcomes the report of the Selborne Commission which has been set up by a number of riverside London councils to examine alternatives to the Thames Tunnel.
7. That council assembly calls on all political groups in Southwark and local MPs to stand up to Thames Water in opposing Chambers Wharf as a construction site and to respond to the phase 2 consultation. Council assembly also welcomes Simon Hughes MP's calls for a debate on the floor of the House of Commons and calls for all Southwark's MPs to take part in this.
8. That council assembly recognises and formally thanks the Save Your Riverside campaign for all their hard work in raising awareness of the issue and detailing credible technical arguments to challenge Thames Water.

#### **Comments of the Deputy Chief Executive**

To follow.

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<b>Press</b>			
Southwark News	1	<b>Total:</b>	67
South London Press	1	<b>Dated:</b> 7 February 2012	
<b>Members of Parliament</b>			
Harriet Harman, MP	1		
Tessa Jowell, MP	1		
Simon Hughes, MP	1		