

## Cabinet

Tuesday 23 October 2012

4.00 pm

Ground Floor Meeting Room GO2A, 160 Tooley Street, London  
SE1 2QH

### Membership

Councillor Peter John  
Councillor Ian Wingfield  
Councillor Dora Dixon-Fyle  
Councillor Barrie Hargrove  
Councillor Claire Hickson  
Councillor Richard Livingstone  
Councillor Catherine McDonald  
Councillor Veronica Ward

### Portfolio

Leader of the Council  
Deputy Leader and Housing Management  
Children's Services  
Transport, Environment and Recycling  
Communities and Economic Development  
Finance, Resources and Community Safety  
Health and Adult Social Care  
Culture, Sport, the Olympics and Regeneration  
(South)

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#### Contact

Paula Thornton 020 7525 4395 or Everton Roberts 020 7525 7221

[paula.thornton@southwark.gov.uk](mailto:paula.thornton@southwark.gov.uk); [everton.roberts@southwark.gov.uk](mailto:everton.roberts@southwark.gov.uk)

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

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Members of the committee are summoned to attend this meeting

**Councillor Peter John**

Leader of the Council

Date: 15 October 2012



# Cabinet

Tuesday 23 October 2012

4.00 pm

Ground Floor Meeting Room GO2A, 160 Tooley Street, London SE1 2QH

## Order of Business

Item No.	Title	Page No.
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### **PART A - OPEN BUSINESS**

#### **MOBILE PHONES**

Mobile phones should be turned off or put on silent during the course of the meeting.

#### **1. APOLOGIES**

To receive any apologies for absence.

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

In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.

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

Members to declare any interests and dispensation in respect of any item of business to be considered at this meeting.

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

To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules.

#### **5. MINUTES**

1 - 9

To approve as a correct record the minutes of the open section of the meeting held on 25 September 2012.

Item No.	Title	Page No.
6.	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests.	
7.	<b>REVIEW OF SERVICES RELATING TO DOMESTIC VIOLENCE AND ABUSE IN SOUTHWARK (REPORT OF THE HOUSING, ENVIRONMENT, TRANSPORT AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE)</b>	10 - 27
	To consider the recommendations of the overview and scrutiny committee on the review of services relating to domestic violence and abuse in Southwark.	
8.	<b>RESPONSE TO THE OVERVIEW AND SCRUTINY COMMITTEE REVIEW OF RESIDENT INVOLVEMENT AND RESIDENT ASSOCIATION RECOGNITION AND GRANTS</b>	28 - 33
	To note and agree the measures in place to respond to the overview and scrutiny committee's recommendation.	
9.	<b>UPDATE ON ACTIONS ARISING FROM THE HOUSING AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE ON THE FIRE SAFETY WORKS AT CANADA ESTATE</b>	34 - 46
	To note the update and actions arising from the housing and community safety scrutiny sub-committee's investigation into the fire safety works at Canada Estate.	
10.	<b>SHELTERED HOUSING REMODELLING</b>	47 - 76
	To consider the outcome of the consultation, the residents favoured options and the proposed implementation of service changes.	
11.	<b>LOCAL TAXATION REFORM - SECOND HOME DISCOUNT</b>	77 - 81
	To note the intended technical reform changes to council tax legislation and to recommend to council assembly that it agrees to remove the existing ten per cent discount awarded for second home properties with effect from 1 April 2013.	
12.	<b>LOCAL COUNCIL TAX REDUCTION SCHEME</b>	82 - 108
	To note the abolition of the council tax benefit by Government from 1 April 2013 and make recommendations to council assembly.	

Item No.	Title	Page No.
13.	<b>TO APPROVE AN APPLICATION TO THE SECRETARY OF STATE FOR A COMPULSORY PURCHASE ORDER (CPO) TO PURCHASE THE REMAINING LEASEHOLD PROPERTIES WITHIN THE ELMINGTON ESTATE PHASE 3 SITES C, D, E AND G</b>	109 - 129

To agree to make four or fewer compulsory purchase orders for the acquisition of the land and new rights for the purpose of securing the regeneration of the Elmington Estate in accordance with decisions taken by cabinet on the 22 March 2011.

14.	<b>GATEWAY 2: CONTRACT AWARD APPROVAL CONSOLIDATED FACILITIES MANAGEMENT CONTRACT FOR 160 TOOLEY STREET, LONDON SE1 2QH</b>	130 - 149
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To approve the award of the contract.

#### **OTHER REPORTS**

The following items are also scheduled for consideration at this meeting:

15.	<b>SOUTHWARK 2012: EVALUATING THE PROJECT AND SECURING A LEGACY FROM LONDON 2012</b>
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To consider the 2012 Southwark evaluation report agreed by the Olympic delivery board.

16.	<b>REPORT FROM THE LONDON BOROUGH OF SOUTHWARK INDEPENDENT COMMISSION ON THE FUTURE OF COUNCIL HOUSING</b>
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To receive the report of the independent commission on the future of council housing in Southwark.

17.	<b>DIRECTLY FUNDED HOUSING DELIVERY</b>
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To agree a range of priorities and the outline delivery mechanisms, as outlined in the report for the development of new homes using the Affordable Housing Fund.

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

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

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

Constitution. The specific paragraph is indicated in the case of exempt information.

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

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

## **PART B - CLOSED BUSINESS**

### **18. MINUTES**

To approve as a correct record the minutes of the closed section of the meeting held on 25 September 2012.

### **19. GATEWAY 2: CONTRACT AWARD APPROVAL CONSOLIDATED FACILITIES MANAGEMENT CONTRACT FOR 160 TOOLEY STREET, LONDON SE1 2QH**

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

Date: 15 October 2012



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 25 September 2012 at 4.00 pm at the Council Offices, 160 Tooley Street, London SE1 2QH

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**PRESENT:** Councillor Peter John (Chair)  
Councillor Ian Wingfield  
Councillor Dora Dixon-Fyle  
Councillor Barrie Hargrove  
Councillor Claire Hickson  
Councillor Richard Livingstone  
Councillor Catherine McDonald  
Councillor Veronica Ward

### 1. APOLOGIES

All members were present, except Councillor Fiona Colley who is currently on maternity leave.

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

The chair gave notice that the following item listed to follow on the agenda was not now being considered at this meeting:

Item 19: To approve an application to the Secretary of State for a Compulsory Purchase Order (CPO) to purchase the remaining leasehold properties within the Elmington Estate Phase 3 Sites C, D, E and G

### 3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillors Claire Hickson and Ian Wingfield disclosed interests in item 11, Peckham and Nunhead Area Action Plan – Publication/Submission version as they owned property in the area covered by the area action plan. The monitoring officer reported that advice had been issued to members in respect of potential pecuniary interests on items to be considered at this meeting and her advice was that these were not disclosable pecuniary interests.

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

There were no public questions.

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

That the open minutes of the meeting held on 17 July 2012 be approved as a correct record and signed by the chair.

**6. DEPUTATION REQUESTS**

There were no deputation requests.

**7. RESPONSE TO THE EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE'S REVIEW OF SUPPORT FOR PARENTS AND CARERS OF DISABLED CHILDREN AND YOUNG PEOPLE**

The cabinet received comments from Councillor David Hubber, Chair of the education, children's services and leisure scrutiny sub-committee in relation to the response to the scrutiny recommendations.

**RESOLVED:**

That the response to the recommendations of the education and children's services scrutiny sub-committee be noted and agreed.

**8. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - INDEPENDENT FOSTERING SERVICE****RESOLVED:**

That the procurement strategy outlined in the report for the independent fostering service to undertake a competitive tender process for a four year framework contract commencing on 10 June 2013 in the estimated maximum sum of £17.2m be approved.

**9. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - SEMI-INDEPENDENT LIVING SERVICE**

**RESOLVED:**

That the procurement strategy outlined in the report for the semi-independent living service, specifically to undertake a competitive tender process for a four year framework contract commencing on 10 June 2013 at an estimated maximum sum of £6.8m be approved.

**10. RESPONSE TO THE SCRUTINY REPORT INTO THE COLLAPSE OF SOUTHERN CROSS CARE HOMES**

The cabinet received comments from Councillor Mark Williams, Chair of the health, adult social care, communities and citizenship scrutiny sub-committee in relation to the response to the scrutiny recommendations.

**RESOLVED:**

1. That the measures that the council has in place to manage the concerns raised by scrutiny and the response to the reports recommendations be noted and agreed.
2. That it be noted in particular that the "Caring for our Future" White Paper indicated that there will be a consultation on oversight of the market in Autumn 2012 including how people can be protected should a care provider go into financial difficulty.

**11. PECKHAM AND NUNHEAD AREA ACTION PLAN - PUBLICATION/SUBMISSION VERSION**

**RESOLVED:**

That council assembly be recommended to:

1. Agree to publish the Peckham and Nunhead Area Action Plan (AAP) publication/submission version (Appendix A).
2. Note the supporting documents: the consultation report (Appendix B), the consultation strategy (Appendix C), the consultation plan (Appendix D), the sustainability appraisal (Appendix E), the equalities appraisal (Appendix F), the appropriate assessment (Appendix G) and the schedule of proposed changes to the adopted policies map (Appendix H).
3. Approve the Peckham and Nunhead AAP publication/submission version for submission to the Secretary of State for Communities and Local Government provided no substantive changes are necessary following consultation.
4. Delegate the approval of any minor amendments resulting from consultation on the publication/submission AAP to the director of planning in consultation with the cabinet member for culture, leisure, sport, the Olympics and regeneration (South).

**12. APPROVAL OF THE COUNCIL'S TRANSPORT FOR LONDON FUNDED WORK PROGRAMME FOR 2013/14 AND INDICATIVE PROGRAMME TO 2014/15 FOR SUBMISSION TO TRANSPORT FOR LONDON**

**RESOLVED:**

**Decisions of the Cabinet**

1. That the content of the council's proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL Local Implementation Plan (Lip) funding in 2013/14 and the indicative programme of work for 2014/15, as contained in Appendix A of the report be agreed.
2. That the identified programme be submitted to Transport for London by 5 October 2012.
3. That the agreed programme as set out in Appendix A of the report be implemented.

**Decisions of the Leader of the Council**

4. That authority be delegated to the cabinet member for transport, environment and recycling to amend the programme for 2013/14 should any variations to the proposed programme be required. The cabinet member shall consult community council chairs regarding scheme changes in their area.
5. That authority be delegated to the cabinet member for transport, environment and recycling to determine the most appropriate use of the £100k discretionary funding allocated by Transport for London for 2013/14.

**13. TO APPROVE AN APPLICATION TO THE SECRETARY OF STATE FOR A COMPULSORY PURCHASE ORDER (CPO) TO PURCHASE THE REMAINING LEASEHOLD PROPERTIES WITHIN MAYDEW HOUSE, ABBEYFIELD ESTATE**

**RESOLVED:**

1. That the council makes a compulsory purchase order ("Order") under section 226 (1) of the Town & Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 or in the alternative under section 17 of the Housing Act 1985 for the acquisition of the remaining leasehold interests within the area edged bold on the plan at Appendix 1 of the report for the purpose of securing the regeneration of the Abbeyfield Estate in accordance with decisions taken by cabinet on the 20 March 2012 and 17 July 2012.
2. That the director of regeneration be authorised to:
  - a) determine the powers and implement the Order to deliver the overall regeneration aspiration

- b) take all necessary steps to secure the making, confirmation and implementation of the Order including the publication and service of all notices and the presentation of the council's case at Public Inquiry should one be called
- c) acquire interests in land within the Order areas either by agreement or compulsorily
- d) approve agreements with land owners setting out the terms for the withdrawal of objections to the Order, including where appropriate seeking exclusion from the Order
- e) amend the boundaries of the area shown edged in bold on the plan at Appendix 1 of the report.

#### **14. QUARTER 1 CAPITAL REPORTING FOR 2012/13 AND CAPITAL PROGRAMME REFRESH FOR 2012/13 - 2021/22**

It was reported at the meeting that the resource centre for older people referenced in the cabinet member foreword and paragraph 70 of the report, should be referred to as a new centre of excellence for older people. It was also reported that part of the final sentence of paragraph 70 (from 'and' until the end of that sentence) was factually incorrect and should not have been included in the report as no decision has been made about the location of the proposed centre. The Council is currently carrying out feasibility studies at 3 sites in order to identify which site would potentially be the most suitable to develop the centre. The outcome of the feasibility studies together with the outcome of the 3 month consultation on the vision and model for the centre will be considered by cabinet in December 2012.

#### **RESOLVED:**

1. That the general fund capital programme 2012/13–2021/22 as at Quarter 1 2012/13, as detailed in Appendix A of the report be noted.
2. That the housing investment programme 2012/13–2016/17 at Quarter 1 2012/13 as detailed in Appendix B of the report be noted.
3. That the virements and funded variations for Quarter 1 2012/13 as detailed in Appendix C of the report be agreed.
4. That the new capital bids shown at Appendix D of the report be agreed.
5. That the refreshed capital programme including the new bids as shown at Appendix E of the report be noted.
6. That the presence of a government consultation on the localisation of business rates which could have an impact on the continued application of the New Homes Bonus grant for capital purposes in the future be noted.

7. That the strategic director of finance and corporate services present an updated programme refresh in early 2014, including exploration of a thirty-year capital programme forecast.
8. That in light of the pressure in primary school places expected from 2013/14 and the additional pressure this places on council resources, officers should continue to work with the Department for Education (DfE) to maximise funding from DfE sources.

**15. QUARTERLY REVENUE MONITORING REPORT QUARTER 1, 2012/13 INCLUDING TREASURY MANAGEMENT**

**RESOLVED:**

1. That the following be noted:
  - the general fund outturn forecast for 2012/13 and the resultant forecast net movement in reserves by department
  - the housing revenue account's (HRA) forecast outturn for 2012/13 and resulting forecast movement in reserves
  - the treasury management activity for the first quarter of 2012/13.
2. That the forecast performance for the council tax and business rates collection fund be noted.
3. That the general fund budget movements that exceed £250k, as shown in Appendix A of the report be approved.

**16. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - PROFESSIONAL TECHNICAL SERVICES CONTRACT**

**RESOLVED:**

**Decisions of the Cabinet**

1. That the procurement strategy outlined in the report for professional technical services which is to let 2 contracts including arrangements for back up provision be approved.
2. That a period of four years for both contracts from 22 July 2013 with provision for 2 extensions of up to three years at the council's discretion be approved.

**Decision of the Leader**

3. That authority be delegated to the deputy leader and cabinet member for housing management to award the contracts for the reasons set out in paragraph 11 of the report.

## 17. GATEWAY 2: CONTRACT AWARD APPROVAL - IT MANAGED SERVICES

### RESOLVED:

1. That the award of the IT Managed Services contract to Capita Secure Information Solutions Limited (Capita) for a period of four years commencing from 1 February 2013, with flexible provision to extend for up to a further maximum period of three years be approved.
2. That authority be delegated to the strategic director of finance and corporate services to agree the final terms and conditions of the IT Managed Services contract to enable the contract and ancillary documents to be executed following completion of contract finalisation points.

## 18. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

### RESOLVED:

#### Motion on Themed Debate – Health and Wellbeing Priorities

That the motion referred from council assembly as a recommendation to cabinet, set out below be noted and the comments of the strategic director of health and community services contained in the officer report also be noted.

1. That council assembly recognises and thanks the dedicated health professionals in our borough who work so hard to improve the lives of Southwark residents in our hospitals, GP surgeries and our homes.
2. That council assembly welcomes the increase in life expectancy in the borough, but notes the significant health inequalities which still exist among Southwark residents.
3. That council assembly welcomes the return of responsibility for public health to local government and the formation of Southwark's shadow health and wellbeing board, to finally provide some democratic accountability for health provision in Southwark.
4. That council assembly noted and supports the four work areas that have been identified as priorities for the shadow health and wellbeing board in their first year: prevention or reduction of alcohol-related misuse; coping skills, resilience and mental wellbeing; early intervention and families; healthy weight and exercise.
5. That council assembly also noted that sexual health and drug addiction are major areas of public concern in the borough, which have a disproportionate impact on the health and wellbeing of a significant minority of our residents, and calls on the new shadow board to consider these issues.
6. That council assembly believes that a wider and more diverse board membership leads to more effective, accountable and representative decisions and outcomes. council assembly therefore calls for the health and wellbeing board to consider ways to involve other parties and representatives from the voluntary sector.

### **Southwark Nurseries**

That the motion referred from council assembly as a recommendation to cabinet, set out below be noted and agreed, with the following amendment: 'David Laws to replace Sarah Teather' in recommendation 5.

1. That council assembly noted that Tenda Road and Bishop's House children's centres will remain open and this has always been the case and regrets the mendacious campaign by local Liberal Democrat councillors that gave the impression that these centres would close.
2. That council assembly noted that the consultation will continue until 31 July 2012 and urges parents and relevant stakeholders to submit their views.
3. That council assembly also noted that Southwark has had a real terms cut of 25% of its budget in the last 2 years – far greater than other local authorities including more affluent boroughs like Richmond.
4. That it noted the hypocrisy of the local Liberal Democrat MP for Bermondsey and Old Southwark, Simon Hughes, to campaign against nursery closures while voting to cut their funding.
5. That council assembly calls on the leaders' of each political group on the council and the local MP to write a joint letter to the Liberal Democrat Children's Minister, Sarah Teather MP, urging her to rethink her cuts to nursery funding.

**19. TO APPROVE AN APPLICATION TO THE SECRETARY OF STATE FOR A COMPULSORY PURCHASE ORDER (CPO) TO PURCHASE THE REMAINING LEASEHOLD PROPERTIES WITHIN THE ELMINGTON ESTATE PHASE 3 SITES C, D, E AND G**

This item was not considered.

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

It was moved, seconded and

### **RESOLVED**

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

**20. MINUTES**

The closed minutes of the meeting held on 17 July 2012 were approved as a correct record and signed by the chair.

**21. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - PROFESSIONAL TECHNICAL SERVICES CONTRACT**

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

**22. GATEWAY 2: CONTRACT AWARD APPROVAL - IT MANAGED SERVICES**

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

The meeting ended at 5.21pm

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 3 OCTOBER 2012.**

**WITH THE EXCEPTION OF ITEM 11 WHICH FORMS PART OF THE POLICY FRAMEWORK AND THEREFORE NOT SUBJECT TO CALL-IN, THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.**

<b>Item No.</b> 7.	<b>Classification:</b> Open	<b>Date:</b> 23 October 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Review of Services Relating to Domestic Violence and Abuse in Southwark (Report of Housing, Environment, Transport & Community Safety Scrutiny Sub-Committee)	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Overview & Scrutiny Committee	

### RECOMMENDATION

1. That the cabinet considers the recommendations of the review of services relating to domestic violence and abuse in Southwark and responds to the overview and scrutiny committee by December 2012.

### BACKGROUND INFORMATION

2. This is the final report arising from the scrutiny review of services relating to domestic violence and abuse in Southwark.
3. The review considers the support that victims receive and action taken to ensure perpetrators are held to account in order to break cycles of violence in the home. The sub-committee felt that the review was particularly timely as the council was moving to a new integrated approach to dealing with domestic abuse via the commissioning of a new contract with Solace Women's Aid, a specialist organisation.
4. The sub-committee heard evidence from the council's head of community safety, domestic abuse team, housing officers and representatives of Solace and the Mayor's Office for Police and Crime. The chair visited a domestic violence centre run by Solace.

### DECISIONS OF OVERVIEW & SCRUTINY COMMITTEE

5. The overview & scrutiny committee considered the report at its meeting on 17 September 2012. The committee welcomed the report and the valuable work of the sub-committee and acknowledged the particular impact that a dedicated domestic violence court could make.
6. The overview & scrutiny committee agreed to write to the Justices' Clerk and the Chair of Bench for the South Central area, copying in the Honorary Recorder of Southwark, asking if consideration has been given to setting up a dedicated domestic violence court and encouraging this course of action.
7. The overview & scrutiny committee also agreed to write to the three Southwark MPs asking if they would support the introduction of a dedicated domestic violence court for Southwark.

## SUMMARY OF RECOMMENDATIONS

8. The housing, environment, transport & community safety scrutiny sub-committee's recommendations are listed below.
  1. Accurate statistics - Significantly, Solace's monthly output statistics produced on the number of cases they are coming across are not matching the local police statistics (based on reported crime) either according to quantity or trend. The sub-committee feels that the statistics produced by Solace are more likely to be reflective of the real extent of domestic violence in the borough. In future, these are the statistics which should be used to inform the council and Solace's action to tackle domestic abuse.
  2. Dedicated domestic violence court - Time between incident and court hearing needs to be drastically reduced. Domestic violence courts have been very effective in other London Boroughs in reducing this time and consequently increasing conviction rates. Southwark council on its own cannot deliver this much needed reform. The sub-committee will write to all three Southwark MPs to see what influence they can bring to bear on Ministers and the courts service to deliver this change. The sub-committee would also ask that the Cabinet Member for Community Safety initiates work with Executive Councillors in Lambeth to see what further work can be done to deliver a dedicated domestic violence court. Southwark cannot continue to have such a low conviction rate, which exacerbates the problem of domestic violence in our borough.
  3. Training – The training programme for relevant Southwark Council staff and other external agencies needs to be rolled out as a matter of urgency. There should be no further delay. Priority groups for training are: community leaders (TRA leaders, faith group leaders, voluntary and community sector and councillors) and professionals (social workers, Area Housing Staff, council staff who have regular contact with residents). This is important as Domestic Abuse needs to be 'owned' by all that come into contact with it. Officers can make routine enquiries about domestic abuse in assessments etc and all should know what the next steps should be.
  4. Domestic Abuse Champions - In addition, managers in Southwark Council should identify Domestic Abuse Champions. These would be members of staff across council departments who would be given additional specialist training. They would then be a resource which their colleagues could consult if they were concerned about a possible incident of domestic violence. This has been successfully done in other London Boroughs.
  5. Linking tenancy and leaseholder status to attendance on behaviour change programme - Officers and Solace report that one recurring issue is that perpetrators of domestic violence are often extremely reluctant to attend the "behaviour change programme". Where the perpetrator is a council tenant, the council should consider making attendance on the programme a condition of continued tenancy. Officers from Solace and housing should work closely together to use tenancy as leverage to force perpetrators to attend the programme. The council could also consider taking the same approach with leaseholders, where the council is the freeholder.

6. Victims of indeterminate Immigration status, no recourse to public funds - The council does respond to those high risk victims with no recourse through the multi-agency risk assessment conference (MARAC) process, however options remain extremely limited. Southwark officers should await the outcome and recommendations of Children's Services research into cases where the victim has no recourse to public funds. On receipt of this research a further action plan on how to deal with this difficult issue should be drawn up by the council. The sub-committee will ask local MPs to write to Ministers to highlight the issue and the need for further resources.
7. Placing a domestic abuse caseworker with police – The sub-committee recommends (as per the Solace contract) that the police prioritise the co-location of a domestic abuse support worker at key days and times. This helps the police to understand the process and needs of victims as well as ensures victims have access to support services in the shortest possible time frame.
8. Risk Assessment Criteria - Concern was raised by staff working at the Southwark/Solace Advocacy Support Service that staff in different council departments and other agencies were often using different risk assessments. This may, in part, be due to statutory frameworks requiring different focus, but should not be an excuse for making the system more complex and onerous for victims. Officers and Solace should train/ work with agencies and council departments to ensure that the correct risk assessment criteria are used.
9. Changing the response from the housing department - Officers told the sub-committee that often it was the victim who was removed from his/her home, the abusive situation, to be re-housed in less than adequate accommodation. Senior managers in the housing department need to work with officers in community safety to ensure that measures are put in place to enable bespoke action plans to better meet the needs of victims.
10. Staffing levels in support service - On the visit to the Southwark/Solace Advocacy Support Service another issue which arose was staffing levels, particularly in relation to caseworkers and counsellors. The Cabinet Member for Community Safety should consider prioritising funding for two additional posts (one caseworker and one counsellor) as and when it is possible to identify funding for these posts
11. Ensuring all staff in the housing options unit take responsibility for reports of domestic abuse – All staff should take responsibility for dealing with those presenting as victims of domestic abuse. This is particularly important in high risk areas such as the housing options unit. Managers should ensure staff are trained and able to do this. Timely and high standard bespoke action planning should be undertaken and necessary referrals made.
12. Peckham area is a hot-spot for domestic violence incidents. The Solace “hub and spoke” structure in the borough needs to make sure that sufficient facilities for support meetings are available in this part of the borough. There has been some delay in securing these facilities and this needs to be addressed urgently.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Agenda & Minutes, Housing, Environment, Transport & Community Safety Scrutiny Sub-Committee	Scrutiny Team 160 Tooley Street London SE1 2QH	Peter Roberts 020 7525 4350

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	Report of the Housing, Environment, Transport & Community Safety Scrutiny Sub-Committee - Review of Services Relating to Domestic Violence and Abuse in Southwark

**AUDIT TRAIL**

<b>Lead Officer</b>	Shelley Burke, Head of Overview & Scrutiny	
<b>Report Author</b>	Peter Roberts, Scrutiny Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	26 September 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>
Director of Legal Services	N/a	N/a
Strategic Director of Finance and Corporate Services	N/a	N/a
Chief Officers	N/a	N/a
<b>Cabinet Member</b>	N/a	N/a
<b>Date final report sent to Constitutional Team</b>	26 September 2012	

# **Review of Services Relating to Domestic Violence and Abuse in Southwark**

Report of the Housing, Environment, Transport &  
Community Safety Scrutiny Sub-committee

September 2012



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Part 1 Introduction

Part 2 Scrutiny of services relating to domestic violence and abuse

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## Introduction

1. Domestic abuse can devastate the lives of its victims. The support that victims receive from a variety of different bodies can be crucial in helping them to move on, ensuring perpetrators are held to account and breaking cycles of violence in the home.
2. In July 2011 Southwark Housing and Community Safety Scrutiny Sub-Committee decided to review services relating to domestic abuse. The scrutiny process began in late 2011 and continued until June 2012. The review was particularly timely because Southwark Council was moving to a new integrated approach to dealing with domestic abuse via the commissioning of a new contract with the specialist organisation “Solace – Women’s Aid”.
3. It is important from the outset to understand the broad definition of domestic abuse which the sub-committee considered. Southwark Council uses the same definition as that adopted by the Greater London Authority, which is:
 

“Domestic abuse is a pattern of behaviour which is characterised by the exercise of control and the misuse of power by one person, usually a man, over another, usually a woman, within the context of an intimate relationship. It can be manifested in a variety of ways, including but not restricted to, physical, sexual, emotional and financial abuse, and the imposition of social isolation and is most commonly a combination of them all.”
4. The sub-committee heard evidence that this broad definition adopted by Southwark includes the following:
  - Heterosexual men abused by heterosexual women
  - Same sex relationships
  - Relationships involving a personal/family/otherwise carer
  - Parent/other adult relationships with children
  - Former partners and relationships
  - ‘Honour crimes’
  - Between young people under 18 in the context of ‘dating violence’
5. The scrutiny began at the sub-committee’s January 2011 meeting where we received an introductory presentation from officers in the Domestic Abuse Team and from Jonathan Toy, Head of Community Safety. Further information was collected prior to the meeting in April, where issues were considered in further detail. This meeting included further presentations from Southwark’s Domestic Abuse Team, Housing Officers, representatives of Solace Women’s Aid and Jain Lemon from the Mayor’s Office for Police and Crime. The scrutiny also included further discussion and correspondence with officers with responsibility for domestic abuse and a visit by the chair of the sub-committee to a domestic violence centre run by Solace. The presentation made by domestic violence and community safety officers at the April meeting was based on requests for further information that the sub-committee had made at the January meeting.
6. The sub-committee’s general approach to this issue was to delve into the issues relating to domestic abuse in Southwark and attempt to identify issues which, if addressed, could improve how domestic abuse is dealt with in the borough.

## Recent developments in Southwark council provision on domestic abuse

7. Domestic abuse and violence against women and girls is a key priority in the council's Violent Crime Strategy 2010-15, adopted in December 2010 and the Safer Southwark Partnership's (SSP) Rolling Action and Commissioning Plan 2011-12

### The newly commissioned integrated service

8. Up until March 2012, Southwark's system for reporting domestic abuse and accessing support has been complex. The council has now commissioned Solace Women's Aid to run a new domestic abuse service which is intended to simplify this process and streamline the passage through the legal system for victims. It ensures a holistic service for victims, perpetrators and children and is accessible on a 24/7 basis.
9. Solace work with other service providers to deliver an integrated service. Angela D'Urso, the Commissioning Service Manager, reported to the sub-committee that performance targets for Solace are linked with the "Every Child Matters" programme.
10. Solace is a London based organisation which specialises in responding to domestic and sexual violence. It has forty years of experience in the field and is "Leading Lights" accredited.
11. The service Solace provides in Southwark is available to both female and male survivors of domestic abuse. The service provides a single point of entry with clear referral pathways. Services are hosted across the borough at different community venues. The new system also includes a risk assessment toolkit to ensure the appropriate support is provided, with low, medium and high risk options.
12. There are four strands to the Southwark Service:
  - An advocacy and support service for male and female survivors
  - A perpetrator programme run by Domestic Violence Intervention Project (DVIP)
  - A Parallel Programme for mothers and their children
  - Capacity building workshops for agencies and professionals within the borough
13. The advocacy and support service for survivors works across all risk levels. Victims have guaranteed access to an advocate of the same gender. The single point of contact is available for victims to use twenty-four hours a day.
14. The perpetrator programme is run by DVIP and includes a structured group work programme and proactive work with partners of men on the perpetrator programme.
15. The Parallel Programme for mothers and children helps to rebuild relationships between mothers and their children following instances of domestic abuse. It provides a safe and secure environment for children and mothers to express their feelings.
16. The contract with Solace also includes the provision of awareness raising training for external agencies and professionals, targeted community outreach, and facilitating a survivors network.
17. Solace produces monthly output statistics on the number of cases it is coming across.
18. The contract provides for a male member of staff who has a dedicated role in dealing with incidents of domestic violence where the victim is a man.

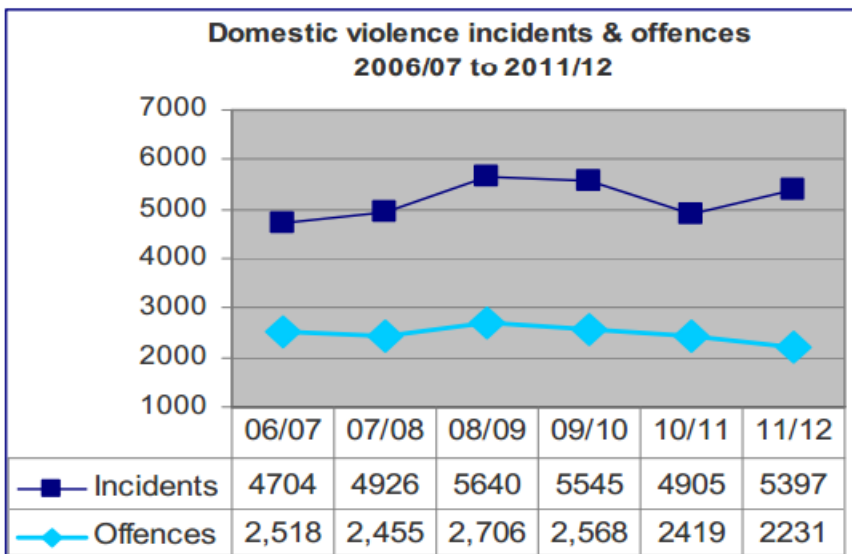
## Other measures

19. The SSP has successfully bid for European funding and is delivering two large projects in schools - SHER and HEDGEHOG. The projects support young people in preventing domestic/dating abuse and sexual exploitation.
20. The SSP is currently working on:
  - Implementing and embedding the new service provided by Solace
  - Further European funding bids in partnership with Solace
  - Progressing the lead commissioner arrangement
  - Exploring future possibilities in relation to perpetrators for example tenancy conditions, contact centres

## Statistical overview of domestic abuse in Southwark

21. The sub-committee brought together statistical information on domestic abuse in Southwark in an attempt to identify trends and gain a more detailed overview of the issue.
22. The sub-committee was provided with the following information about the amount of domestic abuse taking place in the borough over time. Officers stated that between 2006/07 and 2011/12 the number of domestic violence incidents increased by 15% (693 incidents). During this time period, incidents were at their highest in 2008/09 and 2009/10. There were 2231 offences with a domestic violence flag recorded in 2011/12; this is a decrease of 287 offences (-11%) from 2006/07.

**Graph 1**



**Table 1: Victims by gender, age and ethnicity**

The total number of victims in 2011 was 2,228. The tables below give a full breakdown of gender, age and ethnicity.

Gender	Percentage	Number
Female	76.2%	1697
Male	22.1%	492
Not known	1.8%	39

Age	Percentage	Number
9 or under	0.9%	21
10 – 17	1.2%	26
18 – 24	24.0%	534
25 – 30	20.3%	453
31 -39	24.9%	554
40 – 65	25.0%	557
66 or over	2.1%	46
Not known	1.7%	37

Ethnicity	Percentage	Number
White	45.0%	987
Mediterranean	6.2%	135
African/Caribbean	42.1%	923
Pakistani, Indian, Nepalese, Maldivian, Sri Lankan, Bangladeshi, or any other (South) Asian	3.6%	78
Chinese, Japanese, or South-East Asian	1.5%	32
Arabic, Egyptian, Tunisian, Algerian or Maghreb	1.1%	25
Unknown	0.5%	48

**Table 2: Those accused of domestic abuse by gender age and ethnicity**

The total number of accused in 2011 was 784. The tables below give a full breakdown of gender, age and ethnicity.

Gender	Percentage	Number
Female	18.4%	148
Male	81.6%	656

Age	Percentage	Number
10 – 17	1.8%	14
18 – 24	27.0%	212
25 – 30	18.5%	145
31 -39	24.6%	193
40 – 65	27.7%	217
66 or over	0.4%	3

<b>Ethnicity</b>	<b>Percentage</b>	<b>Number</b>
White	44.1%	346
Mediterranean	6.0%	46
African/Caribbean	42.7%	335
Pakistani, Indian, Nepalese, Maldivian, Sri Lankan, Bangladeshi, or any other (South) Asian	4.3%	34
Chinese, Japanese, or South-East Asian	1.5%	12
Arabic, Egyptian, Tunisian, Algerian or Maghreb	1.1%	9
Unknown	0.3%	2

In 2011, this is the number of domestic abuse offences which took place in the following wards:

**Table 3**

<b>Ward</b>	<b>Percentage</b>	<b>Numbers</b>
Peckham	6.9%	143
Camberwell Green	6.8%	141
Grange	6.5%	135
Newington	6.4%	132
Livesey	6.2%	128
The Lane	5.9%	122
East Walworth	5.8%	121
Nunhead	5.7%	119
Rotherhithe	5.3%	109
South Bermondsey	5.2%	108
Faraday	5.1%	106
Riverside	5.0%	104
Chaucer	4.6%	95
Cathedrals	4.4%	91
Brunswick Park	3.5%	72
Surrey Docks	3.3%	68
South Camberwell	3.2%	67
College	3.1%	64
East Dulwich	2.3%	48
Peckham Rye	2.2%	46
Village	1.8%	38

**Solace Advocacy & Support Service – Southwark Monitoring Report: April 2 – May 2, 2012**

**Table 4: How do victims get referred to support services? Numbers and sources of referrals**

<b>Agency</b>	<b>Number (#)</b>
Victim Support	50
Children's Services	17
Southwark Psychological Therapies Service	2
Self	16
Citizens Advice Bureaux	7
LB of Southwark	4
Police	24

WiseGem (Teenage pregnancy charity)	1
Child & Adolescent Mental Health Services	1
Kappa Project (Clients with primary opiate dependency)	1
One Housing Group	2
Housing Options	2
Schools	1
Gay London Police Monitoring Group (GALOP)	1
Refuge	14
Bede House	5
<b>Total</b>	<b>149</b>

**Table 5: Numbers and types of abuse**

Type of Violence Against Women and Girls (VAWG)	Number (#)
Emotional/psychological	62
Financial	25
Honour Based Violence (HBV)	0
Physical	129
Rape	0
Sexual	18
Sexual Assault	0
Verbal	29
Controlling behaviour	34
Stalking & Harassment	28
Unknown	0
<b>Total*</b>	<b>325</b>

\*Multiple Experiences

**Table 6: Domestic Violence sanctioned detection rate, comparative data for the London boroughs in Southwark's MSG (most similar group) of community safety partnerships.**

Borough	Domestic Violence Sanctioned Detection Rate 2011/12
Kensington & Chelsea	50%
Camden	48%
Greenwich	47%
Hackney	47%
Islington	44%
Tower Hamlets	44%
Lambeth	40%
Haringey	39%
Brent	37%
Southwark	36%

## Analysis

23. Officers advised the sub-committee that we need to be careful about jumping to conclusions about domestic abuse statistics. Domestic violence is a notoriously “hidden” crime which it is difficult to quantify. A rise in “incidents” may be the result of greater awareness of support. Also, local area statistics can be skewed by individual repeat offenders.
24. Currently there are around 20 – 25 victims per month who are classified ‘at high risk.’
25. One in every five recorded crimes in Southwark is classified as violence against the person (10,553 reports in 2010/11). One in every four of these violent crimes is linked to domestic abuse (2,419 in 2010/11).
26. In Southwark, 40% of Merlin<sup>1</sup> referrals are domestic abuse related; 30% of these trigger initial assessments. In 2011, 225 cases were heard at the Multi-Agency Risk Assessment Conference (MARAC), involving 254 children and young people.
27. Domestic Abuse incidents mainly occur in the 16 – 30 age range. Issues of relationship violence amongst young people rarely gets recorded. Young women with abusive experiences often find that the tolerance for abuse remains with them into adulthood.
28. In black and minority ethnic groups, there is a larger portion of women being effected and more work needs to be done to redesign more appropriate services around those communities. (See recommendations)
29. 83% of reported cases are from women, however there is a slight increase in reported cases where men are the victim and where parents and/or carers are also experiencing violence from children and young people.
30. It can take an average of 36 incidences of domestic abuse before a victim will call the police.
31. Clearly, the most striking statistic of those collected by the sub-committee is that showing Southwark’s low detection rate (36%) for Domestic Violence incidents when compared to similar inner London Boroughs. The reasons for this and possible solutions are pursued in the “Issues for further attention” section and the recommendations.

### Early performance indicators on Solace contract

32. Significantly, Solace’s monthly output statistics produced on the number of cases it is coming across are not matching the official statistics either according to quantity or trend. The sub-committee feels that the statistics produced by Solace are more likely to be reflective of the real extent of domestic violence in the borough.

### Interview with Jain Lemom (Mayor’s Office for Police and Crime)

33. Jain Lemom, from the Mayor’s Office for Police and Crime (MOPC), told the sub-committee that she had been working on the Mayor’s integrated strategy on all forms of violence against women and girls which included incidents of rape, sexual assault, honour based violence and female genital mutilation. The Mayor’s office strategy on domestic abuse covered a range of issues including refuge provision, the police and encouraging witnesses

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<sup>1</sup> Merlin is a report produced by the Metropolitan Police notifying local authorities and agencies of violent incidents in the home where children may be affected.

and victims to go through the court system, to help bring the perpetrators of domestic abuse to justice.

34. Jain Lemom went on to inform Members of some of the problems she had encountered during her work on the issues of domestic abuse. She said that the London Council budgets had been reduced to help tackle this problem and that the Home Office (HO) was streamlining its service by encouraging women who might be experiencing domestic violence to go to a website to find information and support. She went on to say that this service might not be able to offer much to women who did not speak English or did not have access to the internet. This possibly was not the best approach to encourage vulnerable women to come forward.
35. Jain Lemom went on to say that there needed to be better training for the police when dealing with call outs and that more needed to be done to look after witnesses and victims going through the court system to help support them through a stressful time. Work also needed to be enhanced with all partner agencies and all boroughs to help raise awareness and improve the working of the systems overall.
36. Jain Lemom responded to Members' and officers' concerns by saying that the London crime reduction board, the police and the Mayor were all looking at what could be done about the perpetrator attrition rate. She was happy to work with Southwark in the future and offered to supply examples of good practice from other boroughs to the scrutiny sub-committee. The Chair thanked her for attending the meeting.

### **Visit to Domestic Abuse Advocacy and Support Centre**

37. On 22 June 2012 the chair of the sub-committee visited Southwark's Advocacy and Support Centre operated by Solace. The visit included an in-depth interview with the Service Coordinator, a tour of the centre and a group discussion with staff providing services. Unfortunately, on the day of the visit, it was not possible to speak to any victims of domestic abuse.
38. On behalf of the sub-committee, the chair would like to put on record his thanks to the staff for taking the time out to contribute to the scrutiny process. The visit was extremely valuable in providing useful information regarding the provision of domestic abuse services.
39. Issues which came out of the visit are included in the "Issues for further attention" section below and also in the report's recommendations.

### **Issues to be addressed**

40. **Detection rate and increasing convictions** - Southwark's detection rate for domestic abuse incidents is far too low. It is 14% below Kensington and Chelsea's, 12% below Camden's and 11% below Greenwich and Hackney. There is significant evidence, both anecdotal and statistical, that domestic violence courts can increase the number of people brought to justice for domestic abuse offences. Of the twenty-three Specialist Domestic Violence Courts introduced in 2004, ten achieved a successful prosecution rate of over 70% over a six month trial period, with one reaching over 80%. At the time, the national average was 46%.
41. **Dedicated domestic violence court** - Firstly, the slowness of the criminal justice process. Victims are often afraid of reprisals from the perpetrator and/or can be financially dependent on their abuser. Currently, perpetrators are aware that if they pleaded not guilty to a crime, the likelihood that the victim would go through with court action resulting in a trial, was not high. Perpetrators understood that the further ordeal of a court case was not something that victims wished to face and that they often dropped out of any prosecution. Members and

officers felt that it was very important that something was done about this. If the court process is too slow, there is a much higher chance that the crime will go unpunished and that the perpetrator will be free to abuse again. One way of addressing this issue is to introduce a dedicated domestic violence court. This is pursued further in the recommendations.

42. **Placing a domestic abuse caseworker with police** - Secondly, victims of domestic abuse do not always feel empowered to engage with the criminal justice system. Rightly or wrongly, they often feel that the process is skewed against them and that they will not be supported. As a result, they will report incidents, but not pursue justice. In other boroughs (such as Kensington and Chelsea) certain pilot schemes have been very successful in empowering the victims to pursue justice more regularly. In particular, having a domestic abuse support worker on-site in the police station to speak to the victim about the support that is available to them at the point that they are reporting the crime. This helps the victim to understand the process and become aware that they are not on their own.
43. **Women of indeterminate immigration status** - There are big challenges to provide services for women with indeterminate immigration status, who have no recourse to public funds. Often there are no community connections which makes vulnerable women 'hard to reach.' Solace will be expected to do a substantial amount of outreach work. Officers within the housing department discussed the difficulties of acting on cases of reported incidents, as this often required cooperation with private landlords, other boroughs, legal services and had to be in accordance with legislation. Currently measures included in legislation impacted badly on women with indeterminate immigration status. They had no recourse to public funds to aid them, and officers and Members acknowledged that this situation needed urgent change.
44. **Training on how to deal with domestic abuse reports** - Another key issue is training for staff across a wide range of agencies (including police) on how to deal with a report of domestic abuse. There are varying levels of training across the council and other agencies and these need to be addressed. The new Solace contract does provide for a training scheme to address this issue, but there has been some delay in getting the domestic abuse training courses into the work programme of different departments and agencies. This needs to be sorted out as a matter of urgency.
45. **Risk Assessment Criteria** - A connected issue relates to the risk assessment criteria for domestic abuse being applied by staff working for agencies across the borough. Concern was raised by staff working at the Southwark/Solace Advocacy Support Service that staff in different council departments and other agencies were often using outdated or inadequate risk assessment criteria. This posed a danger because it meant there was higher risk of the wrong assessment being made, and it made the process more bureaucratic because it meant dedicated domestic violence caseworkers were then having to re-assess a high number of cases. The risk assessment which should be used is the Co-ordinated Action Against Domestic Abuse (CAADA) risk identification checklist. This is a widely accepted risk assessment used across other boroughs and agencies.
46. **Slowness of response from Housing Department** - Officers told the sub-committee that often it was the victim who was removed from his/her home, the abusive situation, to be rehoused in less than adequate accommodation. A small proportion of those victims even found themselves on the streets eventually as a result of delays in the process of re-allocating housing. Once the victim has been removed from immediate danger, the process tends to slow down and take less of a priority.
47. **Ensuring perpetrators attend behaviour change programme** - Officers and Solace report that one recurring issue is that perpetrators of domestic violence are often extremely reluctant to attend the "behaviour change programme". In the case of council housing

tenants, Southwark council needs to give these perpetrators greater encouragement to attend these courses. One option would be to make attendance on the programme a condition of continued tenancy.

48. **Staffing levels in support service** - On the visit to the Southwark/Solace Advocacy Support Service another issue which arose was staffing levels. Staff understood that, as a result of severe cuts in funding from central government, resources were tight. However, there was concern that the number of cases per caseworker was very high and that this was making the provision of support to the victims of domestic abuse more difficult than it would otherwise be. The waiting list for counselling focussed on domestic violence is very long. Staff expressed concern that victims (particularly of psychological abuse) were having to wait long periods of time to access these services. This issue is pursued in the final recommendations.
49. **Ensuring staff take responsibility for domestic abuse** - All staff who work with someone who discloses domestic abuse should ensure that the appropriate referrals are made and that they take any necessary action to ensure the safety of the victim and any children. Staff should ensure they have the knowledge and skills to do this. Domestic abuse is a serious issue and we should ensure the best standards of service provision.
50. **Peckham** area is a hot-spot for domestic violence incidents. The Solace “hub and spoke” structure in the borough needs to make sure that sufficient facilities for support meetings are available in this part of the borough. There has been some delay in securing these facilities and this needs to be addressed urgently.

## Recommendations

1. **Accurate statistics** - Significantly, Solace's monthly output statistics produced on the number of cases they are coming across are not matching the local police statistics (based on reported crime) either according to quantity or trend. The sub-committee feels that the statistics produced by Solace are more likely to be reflective of the real extent of domestic violence in the borough. In future, these are the statistics which should be used to inform the council and Solace's action to tackle domestic abuse.
2. **Dedicated domestic violence court** - Time between incident and court hearing needs to be drastically reduced. Domestic violence courts have been very effective in other London Boroughs in reducing this time and consequently increasing conviction rates. Southwark council on its own cannot deliver this much needed reform. The sub-committee will write to all three Southwark MPs to see what influence they can bring to bear on Ministers and the courts service to deliver this change. The sub-committee would also ask that the Cabinet Member for Community Safety initiates work with Executive Councillors in Lambeth to see what further work can be done to deliver a dedicated domestic violence court. Southwark cannot continue to have such a low conviction rate, which exacerbates the problem of domestic violence in our borough.
3. **Training** – The training programme for relevant Southwark Council staff and other external agencies needs to be rolled out as a matter of urgency. There should be no further delay. Priority groups for training are: community leaders (TRA leaders, faith group leaders, voluntary and community sector and councillors) and professionals (social workers, Area Housing Staff, council staff who have regular contact with residents). This is important as Domestic Abuse needs to be 'owned' by all that come into contact with it. Officers can make routine enquiries about domestic abuse in assessments etc and all should know what the next steps should be.
4. **Domestic Abuse Champions** - In addition, managers in Southwark Council should identify Domestic Abuse Champions. These would be members of staff across council departments who would be given additional specialist training. They would then be a resource which their colleagues could consult if they were concerned about a possible incident of domestic violence. This has been successfully done in other London Boroughs.
5. **Linking tenancy and leaseholder status to attendance on behaviour change programme:** Officers and Solace report that one recurring issue is that perpetrators of domestic violence are often extremely reluctant to attend the "behaviour change programme". Where the perpetrator is a council tenant, the council should consider making attendance on the programme a condition of continued tenancy. Officers from Solace and Housing should work closely together to use tenancy as leverage to force perpetrators to attend the programme. The council could also consider taking the same approach with leaseholders, where the council is the freeholder.
6. **Victims of indeterminate Immigration status, no recourse to public funds.** The council does respond to those high risk victims with no recourse through the multi-agency risk assessment conference (MARAC) process, however options remain extremely limited. Southwark officers should await the outcome and recommendations of Children's Services research into cases where the victim has no recourse to public funds. On receipt of this research a further action plan on how to deal with this difficult issue should be drawn up by the council. The sub-committee will ask local MPs to write to Ministers to highlight the issue and the need for further resources.
7. **Placing a domestic abuse caseworker with police** – The sub-committee recommends (as per the Solace contract) that the police prioritise the co-location of a domestic abuse support worker at key days and times. This helps the police to understand the process and needs of

victims as well as ensures victims have access to support services in the shortest possible time frame.

8. **Risk Assessment Criteria** - Concern was raised by staff working at the Southwark/Solace Advocacy Support Service that staff in different council departments and other agencies were often using different risk assessments. This may, in part, be due to statutory frameworks requiring different focus, but should not be an excuse for making the system more complex and onerous for victims. Officers and Solace should train/ work with agencies and council departments to ensure that the correct risk assessment criteria are used.
9. **Changing the response from the Housing Department** - Officers told the sub-committee that often it was the victim who was removed from his/her home, the abusive situation, to be re-housed in less than adequate accommodation. Senior managers in the housing department need to work with officers in community safety to ensure that measures are put in place to enable bespoke action plans to better meet the needs of victims.
10. **Staffing levels in support service** - On the visit to the Southwark/Solace Advocacy Support Service another issue which arose was staffing levels, particularly in relation to caseworkers and counsellors. The Cabinet Member for Community Safety should consider prioritising funding for two additional posts (one caseworker and one counsellor) as and when it is possible to identify funding for these posts
11. **Ensuring all staff in the Housing Options Unit take responsibility for reports of domestic abuse** – All staff should take responsibility for dealing with those presenting as victims of domestic abuse. This is particularly important in high risk areas such as the housing options unit. Managers should ensure staff are trained and able to do this. Timely and high standard bespoke action planning should be undertaken and necessary referrals made.
12. **Peckham** area is a hot-spot for domestic violence incidents. The Solace “hub and spoke” structure in the borough needs to make sure that sufficient facilities for support meetings are available in this part of the borough. There has been some delay in securing these facilities and this needs to be addressed urgently.

<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 23 October 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Response to the Overview & Scrutiny Committee review of resident involvement and resident Association Recognition and Grants	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Ian Wingfield, Deputy Leader and Housing Management	

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

Southwark has had a long tradition of resident involvement using well established resident involvement structures. We have over 130 tenant and resident associations (TRAs) throughout the borough. As well as involvement we encourage empowerment of residents for example through tenant management organisations (TMOs) that currently supply housing management services to over 3,500 homes. We work in partnership with the Southwark group of tenants' organisations (SGTO) to empower residents to form tenant and resident associations and support the resident movement.

I am proud of the achievements residents have had in shaping services and it is my desire to ensure that residents are more directly involved in deciding how services should be delivered. As well as continuing to support our existing structures to be effective, I recognise that there is more to do to ensure we involve a wider range of residents.

Involving more people will make sure services are delivered fairly and appropriately. Of the 8 recommendations of the Overview & Scrutiny Committee we are already progressing 6 as part of our commitment to improving resident involvement. I am pleased to see that the Housing, Environment, Transport and Community Safety Scrutiny Sub-committee have resolved to follow up this review by undertaking a more thorough scrutiny review in relation to TRA Halls.

### **RECOMMENDATIONS**

1. That Cabinet note and agree the measures that the council has in place to respond to the Overview & Scrutiny Committee recommendations.
2. That Cabinet note in particular that the Housing, Environment, Transport and Community Safety Scrutiny Sub-committee are undertaking a full scrutiny review in relation to TRA Halls.

### **BACKGROUND INFORMATION**

3. At its meeting on 8 May 2012 the Overview & Scrutiny Committee received a briefing note from the Strategic Director of Housing & Community Services in respect of resident involvement and resident association recognition and grants.

4. The Overview & Scrutiny Committee resolved that:
  - a. Officers be asked to circulate all members with additional information on:
    - the number of TRAs who made applications in 2009/10
    - officers' contact with all TRAs, in order to assist with the recognition and grant application process
    - TRAs who have not made an application for funding and recognition, in order to assist ward councillors with supporting local TRAs to complete an application, where appropriate.
  - b. Officers be asked to provide Councillor David Noakes with additional information on the status and activity of all TRAs in his ward in order to assist with support.
5. The additional information has been provided to the Overview & Scrutiny Committee members and to Councillor Noakes
6. Overview & Scrutiny Committee recommended that:
  - I. The application process for grants and recognition be made less complicated, less bureaucratic and more accessible.
  - II. Officers create an online application process to complement the paper based process, so that tenants' and residents' associations (TRAs) have options for making applications. This to be completed within six months.
  - III. There be an emphasis on support for TRAs to make funding applications over the next few months, rather than on recognition, in order to clear the backlog of applications and enable organisations to receive funds.
  - IV. It be obligatory for a Resident Involvement Officer to attend every TRA AGM, and that officers use this occasion to assist TRAs in their applications for recognition and funding.
  - V. TRAs create a standing item at every AGM covering the administration needed to complete the recognition and funding application process.
  - VI. The Resident Involvement Team be asked to consider how to work with ward councillors to support TRAs.
  - VII. A report on resident engagement be sent to the Housing Commission, Southwark Tenants' Council and Southwark Homeowners' Council.
  - VIII. Officers be asked to return to overview & scrutiny committee in six months' time to report on progress on the above recommendations.
7. Overview & Scrutiny reported to Cabinet on 19 June 2012. Cabinet resolved that the recommendations of the brief review of resident involvement and resident association grants be noted and, and Councillor Ian Wingfield, deputy leader and cabinet member for housing management bring back a report to

cabinet, in order to respond to the overview and scrutiny committee.

8. On 9 July 2012 the Housing, Environment, Transport and Community Safety Scrutiny Sub-committee resolved to undertake a full scrutiny review in relation to TRA Halls.

## KEY ISSUES FOR CONSIDERATION

### Recommendation 1

9. Residents are asked for feedback on the application process as a routine part of the process. In the last round of grant making a majority (66%) of those who completed the form found it “easy, no problems”. The analysis of the responses is set out in the following tables:

#### **Ease of completing form**

Easy, no problems	52	66%
Some difficulty	23	29%
Very hard	4	5%
<b>Total</b>	<b>79</b>	<b>100%</b>

#### **Help with completing the form:**

##### **Used the Resident Involvement Team**

Very good	15	42%
Good	10	28%
Satisfactory	5	14%
Not satisfactory	2	6%
No response	4	10%
<b>Total</b>	<b>36</b>	<b>100%</b>

##### **Used area housing staff**

Very good	0	0%
Good	4	57%
Satisfactory	1	14%
Not satisfactory	0	0%
No response	2	29%
<b>Total</b>	<b>7</b>	<b>100%</b>

##### **Used Southwark Group of Tenants Organisations**

Very good	3	25%
Good	6	50%
Satisfactory	1	8%
Not satisfactory	0	0%
No response	2	17%
<b>Total</b>	<b>12</b>	<b>100%</b>

Officers have recognised that the form is not as well laid out as it could be. The form has been reviewed by officers and Tenant Fund Management Committee (TFMC). TFMC is made up of residents who make recommendations on funding. The form is being redesigned by the council's Customer Experience team to make it simpler for residents to use. Some aspects of the feedback received will require Cabinet agreement as it will alter the terms of the grant process. It is therefore proposed to incorporate the changes in time for inclusion in the 2013/14 budget setting process.

Officers will also use Tenants and resident Association Annual General Meetings to collect as much of the information needed for recognition and funding as possible, in order to reduce the burden on those who complete the forms for TRAs.

### **Recommendation 2**

10. Work is ongoing on a web version of the grant application form. TFMC are being asked to finalise and agree the form. In the meantime the current form is being uploaded to the council website so that associations can complete and return via email.

### **Recommendation 3**

11. Applications for funding and recognition use the same form so both can be dealt with at the same time. The Resident Involvement team has a target of 100% applications for 2011/12 by 31 September. There is no backlog of applications; all payable applications have been dealt with. Whereas in June 2012, there were 72 TRAs that had not applied for recognition and grant this is now reduced to 14 associations (plus 7 TMOs and 3 defunct TRAs that appeared in the original totals). Officers continue to press associations for the return of forms. Thirty applications have been made to date in 2012/13 (made as AGMs arise) and all processed within the set timescales.

### **Recommendation 4**

12. Resident Involvement Officers have been instructed to attend all TRA Annual general meetings. They are using the AGM as an additional way of reinforcing the opportunity to apply for funding.

### **Recommendation 5**

13. Officers can suggest a standing item at every AGM to TRAs but cannot insist as they are independent bodies. However, the business of completing a funding form is not a good general meeting activity as general meetings involve the wider membership who may not be involved in this activity. Feedback from associations shows that it is preferable to work with the secretary (or whoever the TRA nominates) to complete and this is the approach that Officers will take in future.

**Recommendation 6**

14. Officers already liaise with ward members on TRA issues. The Resident Involvement manager will meet with ward councillors to discuss TRAs in their wards, where this would be useful. Officers will also write to all members to provide them with details of the named officers responsible for supporting TRAs and arrange regular member engagement sessions if that would be helpful.

**Recommendation 7**

15. The report was placed on the agenda for Tenant Council on 9 July 2012 and officers have also asked for the report to be presented to Home Owners Council. A copy of the report has been forwarded to the Housing Commission for information.

**Recommendation 8**

16. Officers will return to Overview & Scrutiny Committee in six months time to report on progress with the above recommendations. This is in progress alongside the work that Officers are carrying out to respond to the Scrutiny sub-committee review referred to in paragraph 7 of this report.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Additional information provided to OSC members in response to Scrutiny report into TRA Recognition and Grants	Housing & Community Services, 160 Tooley Street, London SE1 2QH	Brian O'Neill Resident Involvement Manager Tell: 020 7525 7544

**APPENDICES**

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

## 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 & Community Services	
<b>Report Author</b>	Stephen Douglass, Head of Community Engagement	
<b>Version</b>	Final	
<b>Dated</b>	11 October 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>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	11 October 2012	

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 23 October 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Update on actions arising from 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 by residents following which a review was commissioned.

I was 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.

On 20 March 2012 I presented a report that outlined actions to address the findings and recommendations of the Housing Scrutiny Committee. I am now delighted to present an update to that report which provides examples of how changes to the way we work and deliver the Warm Dry Safe programme have been implemented to address the action points and findings of the Housing Scrutiny Committee following its report on the Canada Estate works.

I am pleased that the actions which have been implemented are making a difference but we remain vigilant as the true test will be once we have received further feedback from residents and compared our outturn performance against those milestones and targets established at the start on completed schemes. Monitoring and feedback from residents and officers alike on these key performance targets are integral to our operations and will be reported as we proceed.

The Major Works team recognises that there is still a considerable amount of confidence building to regain the trust of residents and to ensure that the programme is delivered on time, to budget and to a standard that meets residents' expectations. However I believe that we have made a good start and the growing culture change and new processes that have been implemented provide a solid foundation to deliver our aims in the future.

## RECOMMENDATION

1. Cabinet to note the update and actions arising from 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 November 2011. The report was presented to Cabinet by the Cabinet Member for Housing on 13 December 2011 where it was resolved that the Cabinet Member would report back in more detail to a future meeting.
4. A further report was presented to Cabinet on the 20 March 2012 which detailed the actions in response to the Housing and Community Safety Scrutiny Sub-Committee.

## RECOMMENDATIONS FROM SUB-COMMITTEE/ACTIONS

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 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 actions taken so far against these recommendations are 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 and actions

As part of our work on Local Offers we developed a new consultation process called Putting Residents First. Every new scheme started since April 2012 has followed the principles and processes of Putting Residents First.

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.

Key to this consultation is establishing a Residents' Project Team for each major partnering works project. All residents are informed about the Project Teams when they are invited to the first consultation meeting. This has proved more problematic on our street properties programme where properties are dispersed. To tackle this issue we have split the street property programme into 5 geographic areas and will invite residents within these areas to set up localised Residents Project Teams.

The Project Team is established at the first consultation meeting and will meet regularly, usually monthly, until the end of the project.

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

We recognised that not every resident would 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

We have introduced a series of correspondence to accompany Putting Residents First. Copies of some examples of these including; introductory letters and leaflets together with a monthly news letter are attached as Appendix 1.

We are still progressing schemes so have not yet had the benefit of reviewing a project from inception to completion, but our review of the process will continue as schemes progress and as we receive feedback from residents. A positive example of the new approach is a recent well attended meeting for part of the Brandon Estate Camberwell where fire improvement works are ongoing and a WDS project is due to start to several of the blocks in the new year. Project team members and the contractors from both schemes attended the meeting and were able to give feedback and advice on all work avoiding the silo type of approach we are sometimes accused of.

- 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 and actions

For all new schemes within the Warm Dry Safe programme we have put in place a process that will ensure residents are kept up to date during the project. This started at the beginning of the financial year when all residents in the forthcoming year's programme received letters explaining that they were 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 received the names and contact details of the Project Team who will be delivering the works to their homes. This process has also been extended to those homes being brought forward from future years. 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.
  - Resident's satisfaction surveys including feedback on communication and involvement.
- 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

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.

One of the Key Performance Indicators we have 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.

To enable us to drill down into the detail of individual project we have recently put in place a programme monitor that provides details monthly reports in respect of spend and timescales we have also appointed a Programme Officer whose role will be to maintain updates to the monitor and provide key performance information for the different audiences that we present too.

A recent example of where we have actively engaged with residents during the delivery phase of the programme of works to their home can be seen when after months of discussion there followed a mutual termination of the contract arrangements with Wates one of our partner contract.

During the period prior to mutual termination Resident Project Teams were kept up to date of the delays to the programme through meetings and written communication, although officers had to be careful about the nature of details that could be provided because of the sensitive and commercial aspects of the ongoing discussion with Wates.

Once an agreement had been finalised all residents within the programme affected by the termination were written too and given assurances on our commitment to delivery works to their homes.

Following mutual termination we held meetings with those affected to tell them about the termination and provided options as to how works to their homes could be progressed. These options included retendering the works or the using the provisions in the partnering contract to engage the nominated back-up contractor, the options went to a residents vote which overwhelmingly decided to use the back-up partnering contractor.

- 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

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

The project teams are 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.

With the introduction of our new project management monitor we have the ability to examine in detail performance against forecast cashflows and delivery against key milestones. The 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 & Community Services. The group which meets monthly rigorously monitors the delivery of the housing capital programme in terms of expenditure, performance and timeliness of delivery.

Officers are aware that the contract management of contractors is rightly so still under ongoing scrutiny by residents and ward councilors and that the jury is still out as to whether significant improvements are being made.

Introduction of our new project management system makes it easier to track cost fluctuations, forecasting and comparisons in meeting agreed milestones. This information is used in our regular Partnering meetings to enable greater scrutiny on scheme delivery and outturn costs.

We are also now seeing benefits of price harmonisation within our partnering contract coming through, the core group has moved forward harmonisation on bathrooms and kitchens and is now bringing together tenders for roofs and windows.

- 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

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

#### **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.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
None		

**APPENDICES**

No.	Title
Appendix 1	Putting Residents First – Examples of correspondence including; introductory letters and leaflets together with a monthly news letter

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councilor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	
<b>Lead Officer</b>	Gerri Scott, Strategic Director of Housing & Community Services	
<b>Report Author</b>	Dave Markham, Head of Major Works	
<b>Version</b>	Final	
<b>Dated</b>	11 October 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>
	Director of Legal Services	No
	Strategic Director of Finance and Corporate Services	No
	<b>Cabinet Member</b>	Yes
	<b>Date final report sent to Constitutional Team</b>	11 October 2012



Elkins Site office tel. no: 0207 358 1674  
RLO Elkins:

12.01.2012

Dear Resident

### **Croxted Estate- Major Works**

As you may be aware the Council have completed a stock condition survey of properties throughout the borough. This survey has been the basis for the housing major works programme to be delivered over the next five years.

Works have been identified to several blocks on the Croxted Road Estate which are programmed to be delivered during the 2012 / 2013 year. The blocks included are listed below with the estimated scope of works.

Major works in the Dulwich area will be delivered through a long term partnering contract with A&E Elkins Ltd. Prior to works commencing we will be carrying out detailed surveys to the blocks which will include inspection of the condition of elements such as roofs, windows, doors and repairs to the fabric of the building, drainage surveys and periodic electrical tests.

For the external surveys access is not needed to your home but you may see our operatives on the estate. We will need to contact you to carry out internal surveys and electrical tests but we will make a prior appointment with you. Anyone employed by A & E Elkins Ltd or Southwark council will be carrying an official identification card. Please do not let people into your home without an appointment and identification being produced.

A public meeting will be arranged to discuss proposed works and to give you an opportunity to comment on the survey findings. A further letter will be issued regarding this.

We look forward to working with you and thank you in advance for your co-operation.

If you have any question regarding the content of this letter please telephone

Paul Thomas on 07950318540 email at [paul.thomas@southwark.gov.uk](mailto:paul.thomas@southwark.gov.uk)

Yours faithfully

Catherine Duggan  
Partnering Manager  
A & E Elkins Ltd

#### **ESTIMATED SCOPE OF WORKS**

<b>BLOCK</b>	<b>ROOF WORKS</b>	<b>EXTERNAL DOORS</b>	<b>ELECTRIC INTERNAL</b>	<b>ELECTRIC EXTERNAL</b>	<b>WINDOWS</b>	<b>FIRE PROTECTION WORKS</b>
1-12 Shackleton	Yes	Yes	Subject to test	Subject to test	No	To be assessed
1-8 Welldon	Yes	Yes	Subject to test	Subject to test	No	To be assessed
58-89 Glazebrook	Yes	No	Yes	Subject to tests	No	To be assessed

<b>BLOCK</b>	
1-24 Glazebrook	<b>These blocks are not included in the 2012 / 2013 programme but will be surveyed to assess potential fire protection works</b>
25-48 Glazebrook	

## Major Works

Residents  
Croxted Road Estate

Date: 9<sup>th</sup> August 12

Dear Residents

### **Re: Croxted Road – Proposed Major Works**

I am writing further to our previous letter and meeting in April this year. I am pleased to inform you that surveys for the proposed works are now complete and we have agreed estimated prices with our contractors A&E Elkins. I have listed the key proposed works for each block below: These include the following:

#### **Bungalows 49- 57 Glazebrook**

General repairs to fabric of the building , repairs and renewals to roofs, repairs and renewals to front doors (tenants only where in poor condition), internal rewire (tenants only)

#### **58 – 89 Glazbrook**

Internal electrical repairs & renewals to tenanted properties, repairs to communal windows, general external repairs to rainwater goods and external areas, renewals and repairs to laterals & landlords electrical supply, fire improvement works to upgrade front doors to 30 minute fire rated, renewal of roof and associated works .

#### **1 – 12 Shackleton.**

Internal electrical repairs & renewals to tenanted properties, repairs to communal windows, general external repairs to rainwater goods and external areas, renewals and repairs to laterals & landlords electrical supply, fire improvement works to upgrade front doors to 30 minute fire rated, renewal of roof and associated works .

#### **1-8 Welldon Court**

Internal electrical repairs & renewals to tenanted properties, repairs to communal windows, general external repairs to rainwater goods and external areas, renewals and repairs to laterals & landlords electrical supply, fire improvement works to upgrade front doors to 30 minute fire rated, renewal of roof and associated works .

#### **1-24 & 25-48 Glazebrook**

These blocks are not part of the major works programme for the coming year. However, the surveys have indicated that some fire improvements are needed which in main will be upgrading and renewing front entrance doors and some intake doors .o meet 30 minute fire rated standards.

#### **Kennolds**

The current stock condition surveys indicates no major components such as windows, roofs, electrical installations are in need of renewal and therefore these properties are not included for works in the current five year programme.

#### **Internal repairs & renewals**

The proposed works are generally external and are designed to ensure the properties meet the Council's warmer, dryer, safer standard (WDS). Full kitchen and bathroom refurbishments are not part of the WDS programme and are not required to meet decent homes standards as long as the components are in a reasonable condition and a safe layout. Component repairs only will be carried out if a health & safety need is identified during the works. Further information will be sent to residents at a later date regarding the WDS standards and the type of works the Council expect to deliver through this programme.

Tenants should continue to report current and newly arising repairs to the repairs team. This can be done by –

Freephone 0800 952 4444  
Email [repairs@southwark.gov.uk](mailto:repairs@southwark.gov.uk)  
Online [www.southwark.gov.uk/reportit](http://www.southwark.gov.uk/reportit)

We would like to meet with you to discuss the proposed works and have been in contact with your TNRA regarding this. Subject to confirmation I expect the meeting to be in the early part of September and the new tenants & resident's hall.

I appreciate that leaseholders will have particular concerns regarding the works as they will be expected to contribute to the costs in accordance with the lease agreement. The meeting in September is for all residents as this will be to review the works scope and this affects everybody. We will be holding a further meeting with leaseholders only during the statutory section 20 period which will give an opportunity to comment on costs and repayment issues. In the meantime I am happy to issue residents with a summary of the estimated costs per building although at the moment we cannot give individual estimates. The block costs may change slightly as some prices are still being confirmed.

Subject to the conclusion of the leasehold consultation period I expect A&E Elkins to be in a position to start on site in November. We will hold a further meeting with you prior to this to discuss the programme of works and access issues in more detail and to introduce you to your project team. We would like to have a couple of residents to act as resident project team representatives for this works package and I will discuss this further at the next meeting.

For information I have been advised that our Engineering & Compliance Team (E&C) will be carrying out repairs and renewals to the emergency lighting systems to some 40 blocks in the borough. These will include 1-24, 25-47 and 58-89 Glazebrook. These works are not part of the Croxted Major Works scheme and E&C will contact affected residents separately regarding this.

Please do not hesitate to contact me if you wish to discuss this or other issues surrounding the proposed works further. I look forward to working with you.

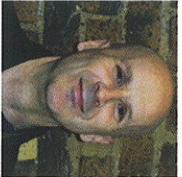
Yours faithfully

Paul Thomas  
Contract Manager  
Email [paul.thomas2@southwark.gov.uk](mailto:paul.thomas2@southwark.gov.uk)  
Mobile 07950 318 450



**Customer relationship officer**

The customer relationship officer Drayton and Langland Houses, SE5 is Stanley Lyons.



☎ 07908 251178

✉ stanley.lyons@southwark.gov.uk

Stanley Lyons will be your first point of contact and will liaise with you before the works start and until the final handover of the scheme and carry out a final customer satisfaction survey.

**Lead designer and clerk of works**

The lead designer for Drayton and Langland Houses, SE5 is Clive Phillips.

Their job is to provide and approve the professional design for the scheme and ensure the contractor carries out the works to the correct standard. They will be assisted on a day to day basis on site by the clerk of works who is Eddie Symmonds.

**Our partners**

Throughout this project we will be working with a number of contractors to ensure that works are carried out to a professional standard. Each contractor will have a site manager and resident liaison officer responsible for ensuring the works are carried out professionally and on time. They will be at hand to organise appointments with you as required.

**REVITALISE<sup>5</sup>**



**Our major works programme is coming your way**

We are investing £326m to make all homes in Southwark warm, dry and safe by 2016



**REVITALISE<sup>5</sup>**



Making every home in Southwark  
**warm, dry and safe**

## Committed to making your home warm, dry and safe

We are pleased to confirm that your home will be part of our warm, dry and safe programme of major works. As part of this programme, Southwark Council will invest £326m in a major repair works programme spanning five years. **Our vision is to make every home in Southwark warm, dry and safe by 2016.** Below are examples of what the works to your house may include, however you will receive a letter from the council with detailed information on exactly what works will be carried out on your home or estate.

### Works may include:

- ✔ Roof and windows repair/renewal
- ✔ Internal rewiring (tenants only)
- ✔ Structural works to walls, balconies etc
- ✔ Works required to mains electrical supplies
- ✔ Bathroom components (tenants only) – we will ensure that at least two out of three of the main components (bath, toilet, wash hand basin) in your bathroom are in good condition.

There are separate programmes and budgets in place to cover essential works for individual heating systems, communal heating and lifts.

### How did we decide what works we need to carry out?

The warm, dry and safe (WDS) programme was initially put together using detailed information that we hold about the condition of our properties: this information allows us to prioritise major works that we needed to complete over the coming years. The draft WDS programme was then published, and an extensive consultation exercise was undertaken in 2011 to make sure we have the correct information regarding the condition of our properties. Based on the feedback we received, further inspections were carried out on site, and changes were made to the planned programme before it was approved by the council's cabinet in October 2011.

For more information visit [www.southwark.gov.uk/housing](http://www.southwark.gov.uk/housing). If you have any queries about how the WDS programme was put together, please contact Martin Fillmore on **020 7525 7105** or [martin.fillmore@southwark.gov.uk](mailto:martin.fillmore@southwark.gov.uk)

## Meet the team - Drayton and Langland Houses, SE5

A project team will be working in your area to ensure that all works are carried out to a professional standard.

### Project manager



The project manager for Drayton and Langland Houses, SE5 is Sharon Shadbolt.

☎ 020 7525 7064

✉ [sharon.shadbolt@southwark.gov.uk](mailto:sharon.shadbolt@southwark.gov.uk)

Sharon Shadbolt will oversee the entire project and ensure value for money is achieved, and all correct approvals and procedures are followed. She will lead the project team to monitor the scheme at all stages of the contract.

If you would you like to be in the project team please contact:

### Contract manager



The contract manager for Drayton and Langland Houses, SE5 is Roger Rodrigues.

☎ 020 7525 1322

✉ [roger.rodrigues@southwark.gov.uk](mailto:roger.rodrigues@southwark.gov.uk)

Roger Rodrigues will make sure that the contractor is running the job correctly on a day to day basis and that the residents are satisfied with the work.

<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 23 October 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Sheltered Housing Remodelling	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Ian Wingfield – Deputy Leader and Cabinet Member for Housing Management  Councillor Catherine McDonald – Cabinet Member for Health and Adult Social Care	

**FOREWORD - COUNCILLOR IAN WINGFIELD – DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT AND COUNCILLOR CATHERINE MCDONALD – CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE**

We are proposing to introduce an enhanced housing management service that allows the Council to deliver saving from the Supporting People budget through a remodelling of the service. This will secure alternative funding through service charges for an enhanced service. This enhanced service will allow a warden in each scheme to be re-introduced to provide, on site, enhanced housing management support, Monday to Friday. This new service will continue to support older people to have a wide range of choice in their housing options and will have an important role to play in keeping Southwark’s older people healthy safe and well and living in their own homes for as long as possible. The vast majority of residents are eligible for housing benefit and the warden service charge will be paid for in full by their housing benefit. Current residents who do not receive housing benefit will have the service paid for by the council, for the duration of their lifetime in the sheltered housing.

The sheltered housing service is currently funded through the Council’s supporting people programme. There are 19 sheltered housing schemes with 590 units plus one Extra Care scheme consisting of 38 units that will be affected by these proposals, providing a total of 628 units of accommodation for elderly tenants in Southwark.

Current the yearly cost of £802k purchases a visiting warden support service to tenants living in the 590 units of Sheltered Housing in the 19 council owned sheltered housing schemes, across the London borough of Southwark. The supporting people element for the extra care scheme is currently separate from funding of the standard sheltered housing noted above. The budget of £802K is held within Adult & Social Care in supporting people budgets.

Consultation has taken place with the residents at each of the sheltered schemes and this is set out in detail in Appendix 1. Stakeholders representing older people have been consulted both individually and through the Older People Partnership Board.

Every scheme has supported option 3 (the enhanced model (resident warden) based on an on site warden available Monday to Friday) as their preferred option. Resident feedback also supported the introduction of a dedicated handy person and visiting night time security across the schemes.

Cabinet will be pleased to note that the proposals set out in this report have been very positively received by residents and if approved, will enable the council to expand the service and return to a day time on site presence as well as responding to resident feedback by providing significant service enhancements, including a dedicated handy person service for minor repairs and odd jobs as well as a night time visiting security service to promote greater security at the schemes outside of day time working hours.

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

## **RECOMMENDATIONS**

### **Recommendations for the Cabinet**

1. That the outcome of the consultation with residents is noted and that the residents favored options are:
  - a scheme based warden service is re-introduced in all of the schemes, from 8am to 4 pm each week day
  - a dedicated handyperson service is introduced to carry out minor repair jobs for residents in the council's sheltered housing schemes
  - a night time security visiting service is introduced to improve security at the sheltered housing schemes
2. To note that officers propose to implement these service changes and that they are funded through the introduction of a service charge, based on an enhanced housing management model, which will be eligible for housing benefit. No existing tenants will be affected by the introduction of the service charge and the majority of prospective tenants are entitled to housing benefit that will cover the charge in the future.
3. That it is proposed that current residents who are not in receipt of housing benefit have their service charge paid through a transitional protection scheme, funded through savings on Supporting People budgets. Transitional protection will apply to all qualifying tenants for the lifetime of their tenancy.
4. To note that it is proposed that these changes are introduced from January 2013.
5. To note that that these proposals are subject to further consultation with the Housing Area Forums and Tenants Council on 26 November 2012.

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

6. That authority is delegated to the deputy leader and cabinet member for housing management, in consultation with the cabinet member for health and adult social care, to consider the outcome of consultation referred to in paragraph 5 and take a decision on the proposals in this report.

## STRATEGIC CONTEXT

7. In 2011, the council consulted stakeholders on an Older Persons Housing Action Plan. A key aim of the action plan is to help older people to live independently for as long as possible in their own homes and the council's sheltered housing service provides an important local resource to support this aim.
8. Local demographic trends indicate:
- **Projected growth in number of over 65s** – Approximately 22,300 people aged 65 or over live in Southwark. By 2020 the number of older people in Southwark over 65 is expected to grow significantly.
  - **Faster growth in the number of over 85s** – The number of older people aged over 85 increased by 5.3% between the 2001 and 2011 census, with the growth rate for over 90 year olds increasing by 2.6%. As the population ages, the disproportionate growth in the “very old” is likely to continue to increase.
  - **The number of older people with dementia and other forms of mental illness** is also expected to grow. In 2015 an estimated 1,705 people over 65 will have some form of cognitive impairment in Southwark.
9. The sheltered housing service currently has 247 older people on the sheltered housing register. The average age of applicants on the list is 72 years of age and a breakdown of applicants requesting council sheltered housing by age is set out below.
- |        |     |
|--------|-----|
| 55-59  | 4%  |
| 60-70  | 33% |
| 71-84  | 48% |
| 85-100 | 16% |
10. Approximately 58% of applicants are female and 42% are male. Circa 95% of applicants are currently in receipt of Housing Benefit.
11. There is steady demand for sheltered housing; a snapshot of the housing register showed there were 247 people who had registered for sheltered housing including a high proportion from the top two priority bands. The void rate is just 2.85% for Council sheltered accommodation. For the last three years there have been around 550 bids per year for sheltered housing. There are approximately two lettings a week to council sheltered housing.

## BACKGROUND INFORMATION

12. The Council Assembly agreed in February 2011 to make a 50% reduction in Supporting People (SP) expenditure over three years to contribute towards the council's social care savings plans. These plans incorporated withdrawing the £800k funding from the SP programme to the in house sheltered housing services in 2012-13, as well as achieving a further savings target from Registered Social Landlords (RSL) sheltered services from April 2012.

13. In agreeing the savings to be achieved set out above the council made a commitment to work with sheltered housing providers and tenants on an alternative funding model paid through housing benefit eligible service charges. The implementation of these savings plans have been regularly reviewed by the SP Commissioning Body since this time.
14. The sheltered housing service is currently funded through the council's supporting people programme. There are 20 sheltered housing schemes affected by these proposals, providing a total of 628 sheltered units of accommodation for elderly tenants in Southwark. 590 of these units are general needs sheltered and have been receiving £802k p a to fund a visiting warden support service to tenants living in council owned sheltered housing schemes, across the London borough of Southwark. Budget funding is held within Adult & Social Care in supporting people budgets.
15. The remaining 38 units relate to an extra care scheme based within a council owned and managed former sheltered housing block at Lew Evans House. The integrated care and support extra care service provided to this building is delivered under a contract with Allied Health Care which was externally commissioned through a tender process that concluded in September 2011. This service is funded by Health and Community Services which also covers the Hyde Housing Association scheme, Lime Tree House.
16. In January 2012, Cabinet considered a report which set out the options for the council to consider that could allow the proposed withdrawal of Supporting People funding for the council's sheltered housing service. This report highlighted ways that mitigated against any adverse impact on existing residents.
17. The report set out the options for future service delivery which Cabinet agreed would form the basis of consultation with tenants and recommended a proposed way forward for funding the service in future through a housing benefit eligible service charge.
18. The purpose of this report is to feedback to Cabinet on the outcome of the consultation to date and to ask Cabinet to note the proposed introduction of new arrangements for delivering the service from January 2013.

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

19. The current sheltered housing service provides support during normal working hours on a hub and spoke model. This means that small teams of 3-4 officers are largely based in 4 hub schemes and provide visiting support to the more vulnerable tenants located in nearby schemes. Out of hours support is provided by the Southwark Monitoring and Alarm Response Team (SMART) through a warden call system.
20. Cabinet in January 2012 agreed to consult tenants on the proposal to introduce a service charge for the sheltered housing service that could fund an enhanced housing management model that would replace the existing service described above. Tenants were consulted on the following three options available for future provision of a service for sheltered tenants.

- Option 1** – Restructure of current service model (service hubs call out and warden visiting service). This would involve a landlord service charge to tenants of £21.91 p/w.
- Option 2** – Reduced service model (call out) based on a call out emergency response service only. This would involve a basic landlord service charge to tenants of £6.68 p/w.
- Option 3** – Enhanced service model (resident warden) based on an on site warden available Monday to Friday from 8am to 4 pm each day. This would involve a landlord service charge to tenants of £32.70 p/w.
21. The new enhanced housing management model would include tasks such as security, dealing with anti social behaviour issues, monitoring visitors to the schemes, managing CCTV, and dealing with the general upkeep of the schemes and the reporting of individual and communal repairs.
  22. The enhanced housing management model would also see a re-orientation of the existing model of service delivery, from a support service to an enhanced housing management service, funded through a housing benefit eligible service charge.
  23. A number of boroughs have successfully changed their service to an enhanced housing management model, based on a housing benefit eligible service charge, including Hammersmith and Fulham and Bromley. Other boroughs currently considering this option are Greenwich, Lewisham and Lambeth. It should also be noted that from April 2012 some RSL sheltered housing providers in Southwark introduced an Enhanced Housing Management model as part of the withdrawal of Supporting People funding noted in paragraph 13 above.
  24. The outcome of the resident consultation is set out in the section on consultation in this report and further detailed information is also included in Appendix 1. A majority of residents strongly supported the re-introduction of a site based day time warden service, together with a dedicated handyperson service, and visiting night security.
  25. The dedicated handy person service will carry out minor repairs and small jobs, which will include the following types of work:
    - carpentry: repairs to internal doors, kitchen cupboards and worktops.
    - minor disabled adaptations: including fitting rails and shower seats.
    - falls prevention: carpet strips, removing carpets, changing light bulbs and curtains.
    - minor electrical repairs and plumbing: changing switches, taps, bulb holders and security lights.
    - security: locks on windows and doors as well as replace/repair key safes
  26. It is proposed that a visiting night security team will check each scheme on a rota basis nightly and respond to specific incidents if and when they occur. This would be an additional service and would involve the creation of two new security officer posts within the Southwark Mobile Alarm Response team.

27. Cabinet also agreed that any new arrangements are put in place from April 2013, however this report recommends that the implementation of these arrangements are brought forward to January 2013 following positive tenant feedback and strong levels of support for the proposals.
28. The proposals set out also help to support the partnership work that the council has been undertaking with the London Fire Brigade to promote fire safety, and our fire safety risk assessment work, which recommends that an improved on site presence is necessary to most effectively promote safety and mitigate risks. The London Fire Brigade has also been fully briefed on the contents of this report.

### **Policy implications**

29. Sheltered Housing Schemes prior to the introduction of the Supporting People programme in April 2003 were funded through rents. Following the introductions of the SP programme support charges for warden services among other support functions were disaggregated from rents and passed over to the SP budget.
30. Sheltered Housing has since that time been part of the SP strategic commissioning programme which is focused on lower level not statutory preventative services that support people to live independently in their own tenancies.
31. The objectives of the Housing Strategy 2011-16 Older People's Delivery Plan set out a range of core housing objectives to respond to the varying needs of the borough's older population. The delivery plan recognises the need to promote support for older people to remain and retain their independence.
32. The plan also recognises the need to expand the level of extra care provision for those with more substantial needs, including eligible social care needs, and makes a commitment to develop at least a further 150 units of extra care to ensure which will ensure older people with more substantial needs have alternatives to residential care and greater choice around living more independently in the community. This is particularly important as 25% of tenants in sheltered housing are also in receipt of care packages provided by Adult Social Care. Those tenants with eligible care needs will continue to be visited by carers in line with agreed care plans and the delivery of their care will not be affected by the introduction of the proposed enhanced housing management service model.
33. The proposal set out in this report provides the council with the opportunity to ensure that Sheltered Housing remains a part of the overall range of services available to older people in Southwark at a time of significant pressure on funding. It is also consistent with and supports the objectives of the Older Persons Delivery Plan.
34. The service model recommended in this report has been informed by the findings of a needs mapping exercise of sheltered tenants undertaken by the council in 2011, and the subsequent Impact Assessment conducted on the proposals. The needs mapping exercise and the consultation with tenants on the options for an enhanced housing management service identified that the key issues for tenants were related to housing management functions, most notably repairs and security.

35. The proposed warden model will have a role in supporting older people to resolve repairs issues. It will be important that the new service model adopts a re-abling approach, that promotes independence and self reliance, thus complementing one of overarching strategic priorities of the Shadow Health and Well Being Board.
36. As noted above the proposed enhanced housing management model will allow older people to continue to have a range of choices in their housing options by ensuring that those with lower level needs who require assistance around practical aspects of maintaining their tenancies, including resolving any housing management and repair issues, have access to the right advice and assistance. Based on feedback from the consultation it will also provide older people with reassurance around feeling safe and secure while living independently in the community. Those tenants who have support needs but are not eligible for statutory social care services will continue to have access to supporting people funding community based support alongside the enhanced housing management warden service. It is expected that where this is needed the enhanced housing management service will have a role in providing information and advice on other support services available to tenants.
37. There is also scope for the warden service to promote access for older people to aids and adaptations through investment and training that ensure wardens can carry out a trusted assessor role for simple aids and adaptations.
38. The criteria for assessing residents for sheltered housing will also be subject to re-consideration, as part of the lettings policy review.

### **Community impact statement**

39. The eight strands of the council's equality agenda have been considered to assess any potential impact. These eight strands are age, disability, faith/religion, gender, race and ethnicity, marital status, gender identity and sexual orientation.
40. It has been assessed that there are no significant detrimental impacts from the proposals which are set out in this report.
41. No existing tenants will be affected by the introduction of the charge and it is estimated that only a small percentage of new tenants would not be eligible for housing benefit to cover the cost of the new charge in future. For the small number of new potential tenants that are likely to have to pay the charge in future, advice will be provided in relation to income maximisation as well as other housing options available.

### **Resource implications**

42. The proposed implementation of a service charge to fund an enhanced housing management service will allow the council to deliver the budget savings from the supporting people budget while ensuring sheltered housing tenants have access to the advice and assistance needed to maintain their tenancies.
43. Although the majority of existing tenants will receive funding through housing benefit to pay the proposed service charge, the work to develop the model and

consultation process has identified 84 tenants who are not eligible for Housing Benefit subsidy.

44. The council has made a commitment to ensure that there is transitional protection for existing tenants not entitled to housing benefit. The transitional protection will be funded from the supporting people budget and is expected to cost £158,782 in the first full year. It should be noted that the council also made a commitment to provide transitional protection to a similar cohort of RSL sheltered tenants from April 2012.
45. It is estimated based on past management information on the average turnover in sheltered housing that the cost of transitional protection will decrease by around 5% yearly due to tenancy changes. Illustrative figures for the next five years are provided below.

#### Projected cost of 5 years of transitional protection

2013/14	2014/15	2015/16	2016/17	2017/18
£158,782	£151,793	£144,204	£136,993	£92,271

46. The proposed transitional protection scheme will mean that the full savings of £800k from the SP budget will not be made immediately on implementation. However over time the full saving will be made as the level of transitional projection reduces and eventually ends as existing qualifying tenants move on.
47. If the council is able to implement these changes from 1 January 2013, savings in 2012-13 would be achieved in the region of £158,358, after provision of £39,398 in transitional protection.

#### Service charge options

48. Detailed below are the three initial service charge options listed in the cabinet report of January 2012 these were the service charge options consulted on

Option 1 - Restructure of current hub service	General Fund £000	HRA £000
Current contract and budget value – fixed fee	802	
Service re-provided by Housing revenue account		713
Service charge income - rebatable service charge based on 84 tenants on transitional protection (tenants paying in full)	96	- 713
Redundancy costs 1 post - one off cost	35	
<b>Net budget requirement 2013/14</b>	<b>131</b>	
<b>Supporting People contract saving FY 2013-14</b>	671	
Supporting People windfall saving FY 2012-13	177	
Cost over and above current budget		nil
<b>Weekly levy to tenant £</b>		<b>21.91</b>

<b>Option 2 - Call out service only</b>	<b>General Fund £000</b>	<b>HRA £000</b>
Current contract and budget value – fixed fee	802	
Service re-provided by Housing revenue account		218
Service charge income - rebatable service charge based on 84 tenants on transitional protection (tenants paying in full)	29	-218
Redundancy costs 13.5 posts - one off cost	230	
<b>Net budget requirement 2013/14</b>	<b>259</b>	
<b>Supporting People contract saving FY 2013-14</b>	543	
Supporting People windfall saving FY 2012-13	193	
Cost over and above current budget		nil
<b>Weekly levy to tenant £</b>		<b>6.68</b>

<b>Option 3 - enhanced housing management service provision</b>	<b>General Fund £000</b>	<b>HRA £000</b>
Current budget – fixed fee	802	
Service re-provided by HRA		1,065
Service charge income - rebatable service charge approx 84 tenants transitional protection (incl. cash & part HB tenants)	143	-1,065
Redundancy costs 1 post - one off	22	
<b>Net budget requirement 2013/14</b>	<b>165</b>	
Saving assuming no SP support	637	
Supporting People windfall saving FY 2012-13	165	263
<b>Weekly levy to tenant £</b>		<b>32.70</b>

#### Developed model of option 3 (See table below)

49. During resident consultation of all 20 schemes and feedback over the last 7 months a preferred service charge emerged at £36.48 p.w as detailed below:

<b>Preferred Option includes the handyperson support &amp; security</b>	<b>General Fund £000</b>	<b>HRA £000</b>
Current contract and budget value – fixed fee	802	
Service re-provided by Housing revenue account		1,187
Service charge income - rebatable service charge approx 84 tenants transitional protection - (tenants paying in full)	159	-1,187
Redundancy costs 1 post - one off cost	22	
<b>Net budget requirement 2013/14</b>	<b>181</b>	
<b>Supporting People contract saving 2013-14</b>	621	
Supporting People windfall saving FY 2012-13	161	
<b>Weekly levy to tenant £</b>		<b>36.48</b>

50. This report overall proposes the re-introduction of a scheme based warden service for residents of sheltered housing and the introduction of tenant service charges in response to the withdrawal of Supporting People (SP) funding from 2013/14.
51. Cabinet first considered this in January 2012. At that time three initial service charge options were proposed which are detailed above. Since then further work has been undertaken and resident consultation suggests a developed model of option 3 is preferred. This involves the provision of an enhanced housing management service to sheltered residents to be paid for by way of a weekly

service charge of £36.48pw. This results in general fund savings of £621k from April 2013. If implementation were to be brought forward to January 2013, the saving for 2012/13 would be £161k based on a full year saving of £621k.

52. The withdrawal of SP funding transfers the financial cost to the HRA and recent proposals under the Welfare Reform Act which seek to restrict housing benefit eligibility for service charges potentially presents a risk. However, the council's proposals for the provision of an enhanced housing management service are deemed to fall within the eligibility criteria for housing benefit moving forward.
53. The council operates 20 sheltered housing schemes, providing 628 units of accommodation, including an extra care unit at Lew Evans. Under existing housing benefit regulations, service charges are rebatable. Therefore the majority of existing residents will see no change in their financial circumstances as charges will be met by housing benefit. However, there are currently 84 tenants who are not entitled to housing benefit, but their full service charges will be transitionally protected through Supporting People savings for the remaining length of their tenancy. The financial impact of this is estimated at £159k in year one (2013/14) but will decline over time as the number of tenants entitled to protection reduces due to turnover. Tenant turnover is approximately 5% per annum; therefore it is important to recognise the continuing general fund commitment to fund this over the medium-term.
54. New residents taking up sheltered accommodation after April 2013 (or January 2013), will either be covered by housing benefit or will need to meet the cost of the service charge from their own means.

#### **Overview of re-organisation proposals**

55. A proposed new staffing structure for the sheltered housing service is set out in Appendix 2. This new staffing structure would enable the service to provide a day time site based service at all of the schemes, from 8 am to 4 pm Monday to Friday. It would also provide a dedicated handy person for the sheltered housing service to carry out small jobs and minor repairs.
56. For the council's preferred model, the paper proposes that 23 new posts are created on a permanent basis. They consist of three Sheltered Housing Coordinators, who will be responsible for managing a total of twenty Sheltered Housing Officers split between them. In addition there will be an Assessment and Referral Officer who be responsible for managing a Sheltered Housing Support Officer. These are new posts which will be required to be evaluated under the Council's job evaluation process. This is an increase to establishment. Posts will be recruited to in line with Council policy with priority consideration for redeployees. Staff and trade unions will be fully consulted on these proposals in line with the Council's Reorganisation, Redeployment and Redundancy Procedure.
57. Staff redundancy costs if applicable will be matched against the outturn and will be dependent on the year of implementation. If this is not possible a request will be made from corporate resources to cover the cost and will be dependent on the chosen option above.

## **Consultation**

58. Consultation has taken place with each of the residents at the sheltered schemes and this is set out in detail in Appendix 1. Stakeholders representing older people have been consulted both individually and through the Older People Partnership Board.
59. Every scheme has supported option 3 (the enhanced model) as their preferred option. Resident feedback also supported the introduction of a dedicated handy person and visiting night time security across the schemes.
60. This option together with the handy person and visiting night time security service would involve a service charge at £36.48 p/w to the tenant.
61. Area Forums and the Tenants Council will also be consulted and their feedback will be reported to the Deputy Leader and Cabinet Member for Housing Management who, in consultation with the Cabinet Member for Adult Social Care, will decide whether any further changes or adjustments are necessary before the current proposals are implemented.

## **Risk assessment**

62. The main risk associated with this proposal is regarding the impact of Universal Credit and other wider government welfare reforms. At this stage, the government's welfare reform plans are not considered to have a significant impact on these proposals but this will need to be carefully monitored and kept under regular review to mitigate any possible future financial risks.
63. A further risk has been identified in relation to recruitment of the additional staff being completed by January 2012. However steps have been put in place to accelerate the process or liaison with the trade unions and recruit temporary staff if necessary as an interim arrangement to allow for the permanent recruitments.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

64. The report asks cabinet to note recommendations for the reintroduction of a scheme based warden service, the introduction of a dedicated handyperson service and night time security visiting service in its sheltered housing schemes to be funded through the introduction of a service charge.
65. The council may provide the proposed services under general powers of management relating to housing accommodation conferred by section 21 of the Housing Act 1985 and the power to provide services for promoting the welfare of persons for whom accommodation is provided conferred by section 11A of the same act. The Housing Act also confers powers for the council to make reasonable charges for the proposed services under sections 11A and 24.
66. Consultation has been carried with tenants likely to be affected by the proposals and the report sets out the outcome of that consultation. Further consultation is planned; this is in line with the consultation arrangements agreed by cabinet in January 2012 and the requirement of the council's conditions of tenancy to

consult with the Tenant Council before seeking to vary rents and other charges. To conform with legal requirements relating to consultation, the outcome of all the consultation carried out must be taken into account when the final decision on the proposals is taken.

67. The decision maker, when taking the final decision, is also required to have due regard to the public sector equality duty (PSED) in section 149 of the Equality Act 2010. This duty requires the council to consider all individuals when carrying out its functions. Specifically, to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity and foster good relations between people with protected characteristics and those who do not. 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 the need to eliminate discrimination, harassment, victimisation or other prohibited conduct. The report confirms that an equality assessment has been carried out and the community impact statement summarises the outcome.
68. As to the proposed introduction of a service charge, the law requires that tenants be notified by service of a notice at least 28 days before it takes effect. The proposed implementation in January 2013 will depend on consultation and final decision taking processes being completed in sufficient time to comply with this requirement.
69. As to the impact of the proposals on council employees working in the relevant housing service, the report indicates that consultation will be carried out with staff and the trade unions. Managers must ensure the final proposals are implemented in a manner fully compliant with the council's re-organisation, redeployment and redundancy procedure.
70. The report recommends delegation, by the Leader of the Council to the Deputy Leader and Cabinet member for housing management, of authority to consider the outcome of consultation and take a decision on the proposals in this report. The Leader has authority to make the recommended delegation pursuant to Part 3 of the council's constitution that enables the Leader to delegate executive decisions to individuals.

#### **Strategic Director of Finance and Corporate Services (NR/F&R/16/7/12)**

71. This report recommends that the Cabinet approves the re-introduction of a scheme based warden service, the introduction of a dedicated handyperson and night time security visiting service, that the changes are funded through the introduction of a service charge, current residents who are not in receipt of full housing benefit have their service charge paid through a transitional protection scheme, funded through savings on Supporting People budgets and that the proposed changes are introduced from January 2013.
72. The strategic director notes the resource implications contained within the report and is mindful of the risks associated with housing benefit legislation changes in the future forcing additional unanticipated costs and the recoverability of service charges. Should this happen, alternative actions would be taken. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

### **Revenues and Benefits Implications**

73. For Housing Benefit purposes, unless the council considers the rent to be unreasonably high, service charges are deemed to be eligible if they must be paid in order for the tenant to occupy their home. These service charges are counted as part of the eligible rent if they relate to the provision of adequate accommodation, for example services such as those provided by caretakers.
74. Examples of charges that cannot be included in the eligible rent include any service charges for medical, nursing or personal care. Service charges for general counselling and support services are also not usually eligible. Any other charges for services which are not connected with the provision of adequate accommodation are not met by Housing Benefit. This includes charges for personal needs, even if these are essential for the tenant to remain in their accommodation.
75. As with any service charge, one for security services must effectively be connected with the provision of adequate accommodation. The HB/CTB Guidance Manual, paragraph A4.174, points to the accommodation being adequate for any tenant rather than a particular tenant. An eligible service charge would therefore generally be one that relates directly to the fabric of the dwelling covered by the tenancy and not directly to the needs of the tenant in enabling them to live in it.

### **Strategic Director of Children's and Adults Services**

76. The recommendations set out in this report relate to the re-introduction of on site warden support, access to a handyperson services and enhanced night time security. It is believed that these initiatives will contribute to the delivery of the council's Future Vision for Social Care approved by Cabinet in April 2011 by playing a role in promoting independence for older people with lower level needs who want to live in the community in their own tenancies.
77. Officers from Adult Services have worked closely with Housing and Community Services Department colleagues on the development of the plans set out in this report, and have engaged as required in the consultation programme involving the council's sheltered tenants.
78. There is also scope for the wardens to receive training and become "trusted assessors" for sheltered residents who require basic equipment and assistive technology aids to promote their independence.
79. It is noted that handyperson services can be a cost effective way of achieving both social care outcomes and improving the quality of life for older people. The provision of handyperson services in sheltered housing, is anticipated to provide quick access to remedial work necessary to rectify slips and falls hazard (as a result of frayed carpeting etc) and establishing temporary "micro environments"<sup>1</sup> for older people following a hospital discharge.

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<sup>1</sup> Micro Environments is a temporary relocation of an older person's living space into a single room following hospital discharge or other form of health crisis, fall etc. For example the moving of a bed and commode into to a living room to facilitate more effective care by home care and health care professionals

80. It is also noted that the recommendation contained within this report includes reintroducing a warden service at Lew Evans House, the council owned scheme in which an extra care housing service is delivered by an externally contracted provider. It will be important to ensure clear lines of responsibility and working protocols are established between the proposed warden service and the contracted integrated care and support extra care service in order to maximize the benefit for existing and future tenants of this scheme. The referral and access to this scheme is managed through a specialist extra care panel jointly convened by housing and adult social care.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet report - Council Sheltered Housing: Strategic Review	Housing and Community Services department / Community Housing Services, 160 Tooley Street, London, SE1P 5LX	Darren Welsh 020 7525 1203
Impact Assessment	Health and Community Services 160 Tooley Street, London, SE1P 5LX	Andy Loxton 020 7525 3130

## APPENDICES

No.	Title
Appendix 1	Summary of resident consultation feedback
Appendix 2	Proposed staffing structure
Appendix 3	Impact Assessment

**AUDIT TRAIL**

<b>Cabinet Members</b>	Councillor Ian Wingfield – Deputy Leader and Cabinet Member for Housing Management Councillor Catherine McDonald – Cabinet Member for Health and Adult Social Care	
<b>Lead Officer</b>	Gerri Scott – Strategic Director of Housing and Community Services Romi Bowen – Strategic Director of Children’s and Adults Services	
<b>Report Author</b>	Darren Welsh – Head of Community Housing Services Jonathan Lillestone – Head of Commissioning, Adult Social Care	
<b>Version</b>	Final	
<b>Dated</b>	11 October 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>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Strategic Director of Children’s and Adults Services	Yes	Yes
<b>Cabinet Members</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	11 October 2012	

**APPENDIX 1****Sheltered Housing Consultation Feedback Actions**

The purpose of this report is to summarise the feedback and issues of concern raised at tenant's consultation meetings as part of the Sheltered Housing Review.

**Introduction**

Sheltered housing tenants were consulted on three service options following the council's intention to withdraw Supporting People funding from the sheltered housing service in April 2013. The council's preferred option is to expand the service and to enhance it (option 3). This will enable us to most effectively meet the needs of residents.

The first round of consultation was carried out at all 20 of the sheltered / extra care housing units across the borough, completing on 3 May 2012. 44% (278) of tenants attended the consultation meetings

The overwhelming majority of tenants stated their preference for option 3 (the enhanced service model).with all 20 schemes voting in favour. Only 6 out of the 278 voted against. These tended to be younger tenants who require little or no support and were content with the current model of support:

- Lucy Brown 1 (option 1)
- Marden (Young men) 1 (option 1)
- Rockgrove (again younger male population) 2 (option 2)
- Harry Lamborn 1 (option 1)
- Keetons 1 (option 2).

This report summarises the key issues raised by residents as part of the consultation exercise which are being picked up and addressed through the sheltered housing improvement plan.

**Consultation - Resident Priorities****Repairs**Communal:

Tenants throughout consultation have highlighted the need for greater levels of investment to sheltered properties. Action is underway to replace furniture and look at identifying resources to decorate schemes; this will ultimately improve the well-being of residents.

Individual:

Tenants have complained that many repairs have been completed to a poor standard with contractors having to re-visit.

Tenants with higher needs have also reported more assistance is required on a daily basis. Whilst surgeries are carried out currently weekly by support staff and monthly by resident officers, often the more vulnerable tenants rely upon neighbours to report

repairs on their behalf. Many tenants therefore feel the current service does not meet the needs of more vulnerable residents.

Consideration is therefore to be given to having a dedicated handy person service. The reporting of repairs will also be assisted by the re-introduction of a day time on site warden service.

### **Criterion for Sheltered Housing**

Tenants have raised their concern about new tenants with increased needs coming in to sheltered housing without additional support. There is an increase in mental health diagnoses as well as dementia. In some instances this has been the cause of anti-social behaviour in schemes due to reduced capacity. Some tenants have stated schemes should be balanced with more able-bodied residents.

In contrast, others have raised concerns that younger tenants are moving into sheltered housing. They are more independent (with some still working) and often are reluctant to get involved with social activities.

Both points are being considered as part of the review, and in planning for an aging population. Careful consideration will need to be given to changes to sheltered criteria as part of the wider council lettings review.

### **Security and Access**

All sheltered schemes have CCTV and they are being upgraded to digital systems.

With support staff no longer being on-site this has meant residents currently feel vulnerable.

Residents have reported they have seen intruders in schemes and did not know who had let them in. In addition to this, schemes need improvements to doors and garden areas to ensure security.

Staff regularly advise tenants of the importance of security in schemes and where there is a suspected intruder arrange for an alert be raised.

Tenants have also reported contractors are requesting access without having identification or arranged appointments with the individual. In such circumstances residents have been told not to give access. All contractors should have personal identification numbers (PINs) obtained from the SMART Team.

Residents have stated that having staff on-site overseeing visitors will improve their well-being. As part of the review into sheltered housing, the council would be discussing concerns raised and seek further funding to make improvements to security in the schemes.

### **New Tenants**

New and existing tenants have also reported they have only been issued with one key. The sheltered team are currently completing a project to have all existing tenants issued with a second key, to be placed in the key safe in case of emergency. Work has also been done to ensure all new tenants are issued with two keys by the Area Housing Office.

### **Laundry Facilities**

Tenants have requested greater consideration be given to laundry facilities in sheltered housing. Many schemes have two washers and dryers however some schemes only have one machine. With an increase in needs, rotas are currently in place for many schemes to ensure tenants with carers are able to use the facilities at the time of their planned care. It has been recognised that with an increase in needs more tenants will require assistance, and provision for machines will also need to be increased to meet changing needs.

### **Emergency Response**

Following the restructure in 2009, the support team provide a hub based floating support service with SMART (Southwark Monitoring and Response Team) providing an out of hours service.

Tenants have stated when staff were on site they would immediately respond to emergencies, however now both sheltered and SMART staff can take up to an hour to respond.

Residence also raised concerns regarding the amount of time taken to respond to 'lock out' calls, as these were not treated as an emergency. This continues to be monitored by both SMART and the sheltered service.

### **Visitors Parking Permits**

In the North of the borough tenants have complained friends and relatives are regularly clamped when they visit due to parking restrictions. Often tenants spend large amounts of money to ensure permits are provided to each relative prior to visits. Without visits many residents have said they would be isolated. Currently concessions are being considered for Saturday parking at schemes.

### **Intercom / Warden Call System / Lifts**

Tenants have raised concerns regarding poor flat numbering systems on front doors and lift, with failures to warden call, door entry and intercom systems.

Reports have been made to the engineering team and numbering systems are now updated as well as intercom volumes changed on warden call systems.

However, many of the current systems need replacement and a schedule of works is planned by the Engineering team to upgrade schemes.

### **Digital Switchover / Concessionary TV Licensing**

All sheltered tenants received information regarding digital switchover in October 2011. All sheltered aeriels were updated prior to initial switchover date of 4<sup>th</sup> April 2012 and the council has supplied digital boxes for communal television.

In the borough floor plans have been obtained, this was a requirement to have concessionary licences for each scheme.

**Lew Evans consultation**

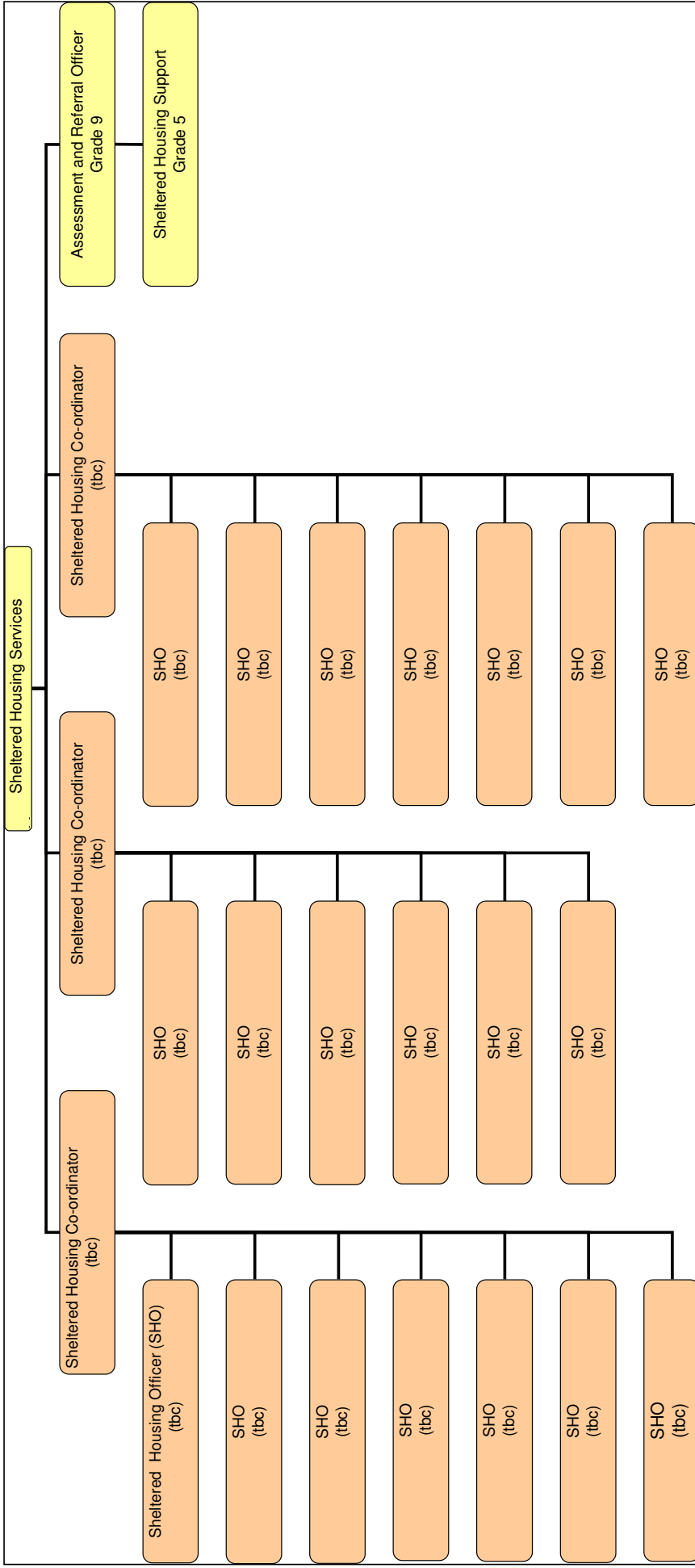
Lew Evans is unique among the sheltered units as being the only Extra Care in-house service. The consultation was a chance for residents to discuss what additional service would be most useful. Residents could make suggestions regarding alternative requirements to the options. Lack of attendance at social activities was noted. A number of individual repairs queries were noted. In this regard, there was strong support for an on-site handy person service as well as a sheltered housing officer.

**Sheltered Housing Officers**

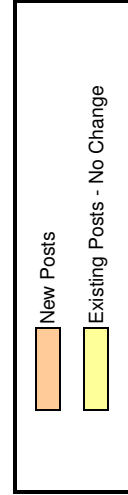
The creation of the post of Sheltered Housing Officer (SHO) is in response to several of the main issues of concern raised by sheltered residents. The SHO will be responsible for ensuring schemes are kept in a good state of repair, and will also carry out health and safety, fire risk and other checks. The presence of the SHO at the scheme during normal working hours will increase security, as well as being a focal point for visitors and contractors. Amongst other duties, the SHO will also look to facilitate regular meetings with tenants, and be a regular source of information (service changes, or minutes and newsletters).

# Sheltered Housing Team - Proposed Staffing Structure

## APPENDIX 2



Note: The Handyperson post will be managed by the Handypersons Team Manager and 2 Security post will be managed by the SMART (Southwark Monitoring and Alarm Response Team) Manager.



IMPACT ASSESSMENT

Impact Assessment	Reduction in SP funding of sheltered housing and implementation of a service charge
Andy Loxton – Lead Commissioner Older People	3.8.12

- 1 **What is the budget reduction proposal being assessed?** Southwark Council Sheltered Housing services receive £802 K from the SP program for its sheltered housing service (including £6,848) for 3 step down flats. The service has also been provided with housing management and additional security funded via the Housing Revenue Account (Repairs and Maintenance Co-ordinator post, in addition to extra funding for SMART (Southwark Monitoring & Alarm Response Team)). As a result of the comprehensive spending review, the council is required to deliver £33 m savings in 2011-12.
- 2 **What is being proposed?**
  - Withdrawal of £802 K SP funding for council sheltered housing
  - Introduction of a service charge to fund:
    - of a scheme based warden service is re-introduced in all of the schemes, from 8am to 4 pm each day
    - a dedicated handyperson service is introduced to carry out minor repair jobs for residents in the council’s sheltered housing schemes
    - a night time security visiting service is introduced to improve security at the sheltered housing schemes
  - That the changes are funded through the introduction of a service charge, based on an enhanced housing management

model, which will be eligible for housing benefit

- That current residents who are not in receipt of full housing benefit have their service charge paid through a transitional protection scheme, funded through savings on Supporting People budgets
- That the proposed changes are brought forward and introduced from January 2013 (Please note there are risks associated with the timescale for implementation - Jan 2013 (restructure/recruitment/with CRB requirements)).
- Introduction of transitional protection for tenants who are not eligible for Housing Benefit. Costs estimated as being :

**Projected cost of 5 years of transitional protection**

2013/14	2014/15	2015/16	2016/17	2017/18
£158,782	£151,793	£144,204	£136,993	£92,271

- 3 **Source data:** The Impact assessment considered data obtained from a survey undertaken of council (and RSL) sheltered tenants support needs in 2011, Joint Strategy Needs Analysis and population projections.
- 4 **Legislative/policy context:** The Impact assessment considered the 8 strands of the council's equality duty, and this assessment looked at each of the equality strands outlined in the Equality Act 2010 as well as considering the implications of the Public Sector Equality Duty (PSED) also contained in the Act.
- 5 **Age:** The impact assessment noted that the overwhelming majority of tenants were over 60 years old, and as such are by nature are a distinct characteristic group under the equalities legislation.
- 6 The comparative age break down with comparison to RSL tenants is set out below. These figures show that the age range between council and RSL sheltered tenants is broadly comparable, although council tenants are slightly younger than RSL tenants (primarily due to gender distinctions and longer life expectancy of women, outlined below).

## Age profile

Provider	<64	%	65-74	%	75-84	%	85-94	%	95+	%	Grand Total
Southwark Council	65	12%	184	33%	187	34%	105	19%	9	2%	550
RSL Total	62	15%	127	30%	124	29%	98	23%	10	2%	421
Grand Total	127	13%	311	32%	311	32%	203	21%	19	2%	971

- 7 According to the Office for National Statistics 2008 (ONS) sub national population projections Out of an overall Southwark resident population of 292,200, there are 24,800 people aged over 65, amounting to 8.5% of the total population. This is a lower proportion than the overall proportion for London, 11.4% but similar to many other inner London boroughs – outer London boroughs tend to have larger proportions of older people.
- 8 The proposal will directly impact upon the older people as opposed to working age adults. However any negative impact of these proposals will be mitigated by the implementation of the warden service funded through the introduction of HB eligible service charges. 79 tenants are not eligible for housing benefit to cover these costs. However the introduction of transitional protection scheme will militate against any negative impact for these tenants. For future tenants who may not be eligible for HB, but only relatively modest pensions, there will be an opportunity to be supported to apply for RSL sheltered schemes(to which the council receives nomination rights) and where the service charges are lower. Alternatively they can be provided access to alternative means of obtaining housing related support, through other council funded services such as SEASONS, or for adaptations /assistive technology.
- 9 As a result it is not believed to be any significant disproportionate impact for older people as a result of the council making these decisions.
- 10 **Race**, The most accurate information on the ethnicity of our older population is obtained from the 2001 census, which indicated
- Of all 65 to 75 year olds: 81% are of white ethnicity
  - 14% of all older people between 65 and 75 are Black Caribbean
  - 5% are other BME and mixed heritage.

Of all over 75 year olds:

- 92% are White
- 5% Black Caribbean

- 3% other BME or mixed heritage

2001 Census is now out of date, therefore it would be better to only include survey findings in points 11/12 below. Since 2001 work had been done with BME groups and the estimated population currently in sheltered is over 35% BME, which is not reflected in census results.

- 11 The survey of the ethnicity of all sheltered tenants was undertaken by the council in 2011. The details of which are set out below. The table showed that white British made up the majority of council sheltered tenants but was, slightly lower than the proportion of RSL sheltered tenants (which again is probably accounted for by the fact that the age profile of RSL tenants is slightly older)

<b>Classification</b>	<b>RSL total</b>	<b>Southwark Council</b>	<b>Total</b>
White British	283	<b>341</b>	624
Asian or Asian British	5	<b>11</b>	16
White Other	38	<b>37</b>	75
Chinese/Other S E Asian	15	<b>5</b>	20
Black or Black British	18	<b>51</b>	69
African	27	<b>46</b>	73
Caribbean	29	<b>47</b>	76
Other	16	<b>10</b>	26
<b>Total</b>	<b>431</b>	<b>548</b>	<b>979</b>

- 12 31% (170 of the 548) council tenants who responded to the needs survey were BME /other which is higher than the overall population and of RSL sheltered tenants.
- 13 The proposals being considered will however continue to retain a service for BME residents of sheltered housing through a warden service, and any culturally specific support currently provided is envisaged to continue. ie supporting older residents to access appropriate places of worship etc. (Note: Service charge eligible task would be carried out by the new sheltered team (although signposting will be incorporated into the new roles).
- 14 Therefore any differential impact in relation to race is likely to be mitigated by the continued provision of support being made available via a residual support service and the housing benefit service charge proposal.
- 15 **Gender** As a result of longer life expectancy, more women than men tend to use adult social care services. Overall, this tends to be the case in Southwark. The Greater London Assembly Round Population Projections in 2007, estimated that the 65 + female to male ratio in the borough was 57% / 43%
- 16 The gender breakdown of sheltered tenants recorded in the 2011 need survey is set out below. The council tends to have a higher proportion of male tenants than RSL schemes and the general population averages. This in part may be due to the slightly younger profile of council sheltered tenants, and that men may apply to the council earlier.

<b>Provider</b>	<b>Female</b>	<b>%</b>	<b>Male</b>	<b>%</b>	<b>Grand Total</b>
RSL Total	260	63%	154	37%	414
Southwark Council	238	46%	279	54%	517
Grand Total	498	53%	433	47%	931

- 17 The proposals will not reduce access to sheltered tenancies moving forward, and therefore older men will still retain access to the specialist accommodation should they require it. The proposals also make provision for continued support to those who need it via a warden service. Therefore any differential impact in relation to gender will be mitigated.
- 18 **Disability**, Given the age profile of the sheltered tenants it would be expected that there are high levels of need in relation to physical and mental poor health, by comparison to a younger age group
- 19 The needs survey undertaken in 2011, found that there significant levels of need in relation to a range of presenting issues and how well these were being met. A summary of the headlines are set out in the tables below. Again the figures for the RSL sheltered survey are included for comparative purposes.

### Mental health issues

Provider	Never		Very occasionally (2-3 times a year)		Sometimes (monthly)		All the time (weekly)		Total
RSL Total	370	87%	21	5%	18	4%	17	4%	426
Southwark Council	428	82%	35	7%	28	5%	33	6%	524
Total	798	84%	56	6%	46	5%	50	5%	950

Is this need being met?				
No		Yes		Total
10	11%	81	89%	
9	7%	113	93%	122
19	9%	194	91%	213

### Physical health problems

Provider	Never		Very occasionally (2-3 times a year)		Sometimes (monthly)		All the time (weekly)		Total
RSL Total	149	36%	54	13%	111	27%	103	25%	417
Southwark Council	120	23%	80	15%	127	24%	200	38%	527
Total	269	28%	134	14%	238	25%	303	32%	944

Is this need being met?				
No		Yes		Total
6	2%	247	98%	
15	4%	357	96%	372
21	3%	604	97%	625

### Issues concerning having a learning difficulty

Provider	Never		Very occasionally (2-3 times a year)		Sometimes (monthly)		All the time (weekly)		Total
RSL Total	396	93%	7	2%	9	2%	11	3%	424
Southwark Council	462	89%	9	2%	19	4%	29	6%	519
Total	858	91%	16	2%	28	3%	40	4%	943

Is this need being met?				
No		Yes		Total
11	18%	52	84%	62
9	10%	84	90%	93
20	13%	135	87%	155

### Mobility (inside & outside home) using a stick or walking frame

Provider	Never		Very occasionally (2-3 times a year)		Sometimes (monthly)		All the time (weekly)		Total
RSL Total	214	51%	19	5%	35	8%	153	36%	421
Southwark Council	229	43%	32	6%	61	11%	210	39%	532
Total	443	46%	51	5%	96	10%	363	38%	953

Is this need being met?				
No		Yes		Total
7	4%	193	97%	200
9	3%	272	97%	281
16	3%	465	97%	481

### Accessing health services

Provider	Never		Very occasionally (2-3 times a year)		Sometimes (monthly)		All the time (weekly)		Total
RSL Total	232	55%	62	15%	78	18%	50	12%	422
Southwark Council	164	31%	113	21%	163	31%	91	17%	531
Total	396	42%	175	18%	241	25%	141	15%	953

Is this need being met?				
No		Yes		Total
7	4%	186	96%	193
13	4%	315	96%	328
20	4%	501	96%	521

**Medication compliance/side effect issues**

Provider	Never		Very occasionally (2-3 times a year)		Sometimes (monthly)		All the time (weekly)		Total
RSL Total	279	66%	43	10%	45	11%	56	13%	423
Southwark Council	303	57%	87	16%	78	15%	61	12%	529
Total	582	61%	130	14%	123	13%	117	12%	952

<b>Is this need being met?</b>				
No		Yes		Total
8	5%	155	95%	163
10	4%	241	96%	251
18	4%	396	96%	414

- 20 The provision of a warden service, will address the housing needs of the tenants. It is not envisaged that the support currently provided will be impacted by a replacement warden service as tenants requiring specialist intervention will be signposted to other services. It is also noted that the consultation exercise undertaken with sheltered tenants in 2012, found that the most significant issue related to support around repairs and security.
- 21 The impact assessment also noted that the incumbent SP funded service did not provide personal care, and the cohort of tenants who meet Fair Access to Care Criteria will continue to receive appropriate support around their personal care needs.
- 22 An analysis of social care records undertaken in 2011, found that 25% (161) council sheltered tenants received a home care service. This figure included the 38 extra care tenants.
- 23 As a result the proposals will not have a detrimental impact upon sheltered tenants with a disability
- 24 **Sexual orientation-** There has been no indication of any specific issues in relation to sexuality identified through the consultation exercise or needs mapping surveys. Service users who experience discrimination will continue to have recourse to the council's remedies for all of its tenants.
- 25 Therefore there are not thought to be any differential impact in relation to sexuality.
- 26 **Gender identity,** There has been no indication of any specific issues in relation to gender identity identified through the consultation exercise or needs mapping surveys. Service users who experience discrimination will continue to have recourse to the council's remedies for all of its tenants.
- 27 Therefore there are not thought to be any differential impact in relation to sexuality.
- 28 **Religion and faith,** There has been no indication of any specific issues in relation to religion or faith identified through the consultation exercise or needs mapping surveys. Service users who experience discrimination will continue to have recourse to the council's remedies for all of its tenants
- 29 Therefore there are not thought to be any differential impact in relation to sexuality.
- 30 **Marriage,** There has been no indication of any specific issues in relation to religion or faith identified through the consultation exercise or needs mapping surveys. Service users who experience discrimination will continue to have recourse to the council's remedies for all of its tenants
- 31 Therefore there are not thought to be any differential impact in relation to sexuality.

- 32 **Pregnancy and child care responsibilities**, there has been no indication of any specific issues in relation to religion or faith identified through the consultation exercise or needs mapping surveys. Service users who experience discrimination will continue to have recourse to the council's remedies for all of its tenants
- 33 Therefore there are not thought to be any differential impact in relation to sexuality.

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 23 October 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Local Taxation Reform – Second Home Discount	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

In May, the government indicated its intention to allow councils to withdraw some discounts and exemptions within the council tax system. Although we are still waiting for Parliament to agree the legislation to permit this, this report recommends that we agree our approach now in readiness for those flexibilities being granted.

Given the large scale of the financial pressures facing the council as a consequence of government cuts, the report proposes that we end the council tax discount for second homes. Whilst the additional revenue generated through this is modest, it is important that we are using this opportunity to raise revenue given the pressures that the council's budget faces. It is also inequitable for those who can afford more than one home to face less taxation than other residents in the borough.

The report also recommends that further work is undertaken to look at whether we should remove exemptions for empty properties. It is clearly undesirable to have empty homes in the borough when demand for housing is so high. However, we also need to carefully assess what the impact of removing these exemptions might be on the costs of regeneration projects that require properties being emptied in preparation for demolition. As a landlord, we will also want to consider what the potential impact on the housing revenue account would be.

It should also be noted that removing these discounts and exemptions in full would generate additional revenue that is still significantly less than the lost funding to the council for council tax support and is likely to be only a small proportion of the cuts and new financial pressures facing the authority in 2013/14.

**RECOMMENDATIONS**

That Cabinet:

1. Note the intended technical reform changes to council tax legislation with regard to the new discretion to amend certain council tax discounts and exemptions.
2. Recommend to council assembly that they agree to remove the existing ten percent discount awarded for second home properties with effect from the 1 April 2013, subject to consideration of the outcomes of the Equality Impact Assessment.

3. Request that officers submit a further report in November with recommendations on the approach to any changes in respect of council tax discounts and exemptions.

### **BACKGROUND INFORMATION**

4. On 31 October 2011, the government issued its technical reforms of council tax consultation document with proposals to give greater discretion to allow reliefs from council tax in respect of second and empty homes.
5. The government sought responses on the following proposals:
  - (a) giving billing authorities power to levy up to full council tax on second homes
  - (b) replacing exemption Classes A and C with discounts, the amount of which would be for billing authorities to determine
  - (c) abolishing Class L exemption, and making mortgagees in possession of empty dwellings liable to council tax in respect of them
  - (d) allowing billing authorities to levy an 'empty homes premium' in respect of dwellings which have been left empty for two years or more.
6. In addition to these, there were further changes proposed on the council tax instalment scheme and publication of electronic information to be sent with council tax bills.
7. On 28 May 2012, the government issued its response to the consultation and its intention to bring in legislation to give effect to the changes with effect from 1 April 2013.

### **Second Homes – Property that is not the sole or main home of someone**

8. Local authorities will have discretion to charge the full council tax on second homes.

### **Class A - Property that requires or is undergoing major repair**

9. Abolish the Class A exemption and allow local authorities to set a discount between 0–100 percent. It is not anticipated at this time that there will be any discretion to vary the period of the award from the existing twelve months and therefore any discount other than 100 percent would result in a council tax charge being payable immediately.

### **Class C - Property that is unoccupied and unfurnished up to 6 months**

10. Abolish the Class C exemption and allow billing authorities to set a discount between 0–100 percent. Following responses to the consultation and a Council Tax Information Letter from the DCLG issued on 27 July, it is anticipated that there will be discretion to vary the period of the award from the existing six months and would allow for a period of 100 percent discount prior to a council tax charge being payable.

### **Class L – Liabilities of mortgagees in possession**

11. The government has decided not to proceed with any changes to the existing exemption from council tax at this time but will continue discussions with the mortgage lenders sector.

### **Empty Homes Premium – Property that has been empty for 2 years or more**

12. Allow local authorities to charge an additional 50 percent on properties that have been empty for two years or more thereby creating a 150 percent liability for council tax.

### **KEY ISSUES FOR CONSIDERATION**

13. Cabinet will want to consider two key issues as part of this process being:
  - a) The removal of the second home discount (10 percent) for a some properties within the borough
  - b) The option to review the existing provision of exemptions for properties empty & unfurnished or uninhabitable.

### **Second homes discount**

14. There are currently 607 second home discounts claimed within Southwark. The existing value equating to £94,005.
15. It is proposed that this could be further reduced to zero and therefore no longer applicable (subject to legislation) with effect from 1 April 2013.

### **Exemptions**

16. Subject to legislation the council will be able to reduce or remove council tax exemptions for properties undergoing major repair/structural alteration or empty & unfurnished dwellings (Classes A & C) giving effect to them from 1 April 2013. An enabling measure has been included in S.10 of the Local Government Finance Bill currently before parliament, and if enacted will amend section 11A of the Local Government Finance Act 1992 so that the Secretary of State may define a class of property in respect of which an authority may determine a discount in the range zero percent to 100 percent.
17. It needs to be determined whether there should be a short period of discount in respect of properties that are unoccupied and unfurnished (Class C) or full council tax charged immediately. Analysis of these exemptions for 2011/12 has indicated that 45 percent of all awards were for less than 28 days and 65 percent less than 56 days. If there is no discount for a short period, amounts to be billed and collected could be, individually, relatively small.
18. In the absence of discretion of award periods for properties requiring or undergoing major repairs or structural alteration (Class A), it needs to be determined whether the full amount of council tax should be charged immediately. Analysis of these exemptions for 2011/12 has indicated that 67 percent are in excess of 182 days and over 50 percent relate to Council properties. If there is no discretion to change the period, the options would be

- to retain the current status and award 100 percent discount for the full twelve months or vary the discount between 0 -100 percent.
19. Legal opinion is currently being sought in respect of council tax exemption Class B which is not included in the proposed changes. This class of exemption relates to properties that are empty and owned by a charity which could result in many Registered Social Landlords being entitled to this class of exemption in place of the existing Class C (empty & unfurnished) exemption.
  20. Southwark as a landlord are currently liable to pay council tax in respect of both Class A (uninhabitable) and C (empty & unfurnished) so there is a potential impact on the Housing Revenue account. Analysis undertaken indicates that over 50 percent of Class A exemptions were awarded in respect of properties on the Heygate estate with the majority of the remainder being awarded to developers. With regard to Class C, most awards for council properties were for less than one month. Further analysis is required to determine the full impact of any changes on the Housing Revenue account.

### **Properties in receipt of exemptions**

21. In relation to Class C, empty and unfurnished exemptions, there were 1299 exemptions granted with a value equating to £1,184,463.
22. Empty but furnished properties which attract a 10 percent discount equated to 1,141 discounts with a value of £121,690.
23. Class A exemptions were granted to 134 properties with a value of £125,774.

### **Community impact statement**

24. An Equalities Assessment (EA) for the proposed changes to the council tax is being developed. This will review those likely to be affected by any change within the borough and determine any mitigating action that may be recommended as part of any change.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

25. Cabinet is advised that recommendations 1 and 3 may be agreed and cabinet will await the next report from officers.
26. Cabinet is alerted to the fact that the second recommendation to council assembly is predicated upon legislation that has not yet been passed through Parliament. The proposed legislation enables the council to proceed with the removal of the 10 percent discount on second homes. The Local Government Finance Bill is currently at the Report stage in the House of Lords and due for reading on 10 October 2012, parliamentary commentary indicates the intention of government to complete the passage of the Bill before the end of the year. Cabinet is advised that it may agree the recommendation to council assembly in spite of the absence of the legislation; the relevant decision as to whether to agree the recommendation rests with council assembly under Part 3A of the council's constitution.

27. Cabinet will be made aware of the equality implications of the proposal following an Equality Impact Assessment, in the updating officer report. Cabinet will note that the decision makers at council assembly must give due regard to the outcomes of the assessment when making a decision.

### **Strategic Director of Finance and Corporate Services**

28. This report requests that the cabinet agree to remove the 10 percent discount on second homes with effect from 1 April 2013, and note the technical reform changes that will be the subject of a further report.
29. The strategic director notes that it is estimated at current volumes, that the proposal to remove the second homes discount will generate approximately £95k per annum at current council tax levels. If agreed this will be factored into the 2013/14 council tax base and would then be factored into the collection rate to be agreed by Council Assembly in January 2013.

### **BACKGROUND DOCUMENTS**

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

### **AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Finance, Resources and Community Safety		
<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance & Corporate Services		
<b>Report Author</b>	Norman Lockie, Operations Manager (Revenues)		
<b>Version</b>	Final		
<b>Dated</b>	11 October 2012		
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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
	<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
	Director of Legal Services	Yes	Yes
	Strategic Director of Finance & Corporate Services	Yes	Yes
	<b>Cabinet Member</b>	Yes	Yes
	<b>Date final report sent to Constitutional Team</b>		11 October 2012

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 23 October 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Local Council Tax Reduction Scheme	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

This report considers the impact of the government's decision to abolish Council Tax Benefit, as part of its wide-ranging changes to the welfare state, and the council's role in providing the new local Council Tax Reduction Scheme to replace it. The government is only providing funding for this scheme at 90% of the expenditure needed in the past to provide Council Tax Benefit, at a time when the number on benefits is rising.

Clearly, the council does not welcome these changes, in particular the shortfall in government funding, given the other pressures being placed on those in receipt of benefits and given the continuing recession.

However, government has told the council that unless we develop a proposal for a local Council Tax Reduction Scheme (CTRS) in time to inform our considerations in the New Year for the 2013/14 budget, a default scheme will be implemented that reflects the existing Council Tax Benefit scheme. The default scheme will not deliver the 10% saving and the council would have to fund the gap from elsewhere within its budget. Given that government's annual settlements with the London Borough of Southwark have decreased substantially since May 2010 and are set to decrease significantly further in future years, the council is unable to cover the estimated shortfall in funding of at least £2.8m without impacting on either services or the level of Council Tax.

As government has directed that pensioners should see no reduction in support under the replacement scheme, the council can only afford to give 85% Council Tax Support to claimants of working age without detriment to services or the level of Council Tax. It should be noted that many London boroughs facing similar pressures are considering lower levels of Council Tax Support for recipients than the level proposed for Southwark.

It is also important that the council takes steps to ensure that those current beneficiaries that are eligible for Council Tax exemptions, for example as a result of their disabilities, take up those entitlements.

We have now completed an eight-week consultation exercise that sought views from every Council Tax Benefit recipient, community groups and groups advocating for those sections of our community most likely to be affected.

The proposals set out in this report seek cabinet approval and recommendation to Council Assembly in November of a decision to adopt the following:

- A revised Section 13A Discretionary Policy, which sets out the process by which

- a reduction can be sought under this legislation
- Southwark's local Council Tax Reduction Scheme.

## **RECOMMENDATIONS**

That Cabinet note:

1. That following the abolition of Council Tax Benefit (CTB) by government from 1 April 2013, the council is required to adopt a Local Council Tax Reduction Scheme (CTRS) in its place by 31 January 2013 with a 10 per cent reduction in funding.
2. The extent and outcome of the consultation together with the equality analysis undertaken following approval of the approach on the 17 July 2012 and proposals to further support communities.

That Cabinet recommends to Council Assembly:

3. That the Section 13A Local Government Finance Act 1992 Policy (to be amended by the Local Government Finance Bill 2012) which forms the basis of the regulatory framework for the scheme is adopted.
4. To adopt the preferred CTRS (Council Tax Reduction Scheme) option which will result in capping council tax support to 85 percent of current entitlement levels and abolish Second Adult Rebate for non-pensioners in 2013/14.
5. That the strategic director for finance and corporate services closely monitors the impact of CTRS on the council tax collection fund.
6. That an economic wellbeing strategy is implemented to mitigate the impact on claimants facing a reduction in benefit that includes a programme of benefit maximisation undertaken via the council's Rightfully Yours service.
7. That financial inclusion and responsibility are promoted through the provision of budgeting, employment and arrears advice in partnership with relevant external organisations and support networks including London Mutual credit union, Jobcentre Plus and local advisory services.

## **BACKGROUND INFORMATION**

8. Since the introduction of council tax in 1993, the council has administered a housing and council tax benefit scheme in accordance with national legislation, under direction of the Department for Work and Pensions (DWP). The purpose of the Council Tax Benefit (CTB) element was to assist those on low incomes pay their council tax by way of a means tested assessment.
9. The government announced in the Spending Review 2010 that support for council tax would be localised with a 10 per cent reduction in funding. On 8 March 2012 the Welfare Reform Act 2012 received Royal Assent. The Welfare Reform Act contains the provisions for the abolition of CTB, paving the way for new localised schemes to be introduced from April 2013 through forthcoming legislation.

10. Funding for local schemes will be provided by the Department for Communities and Local Government (DCLG), by way of a grant to billing and precepting authorities in proportion to their share of the council tax payable. The funding in the first year will equate to an overall 10 per cent reduction in the projected current expenditure on CTB. Under the existing scheme expenditure on CTB is fully funded by the DWP, however under DCLG the funding will be ring-fenced and not demand driven.
11. At current levels of CTB expenditure a 10 per cent reduction in funding is estimated at approximately £2.8m for this council, (£2.1m Southwark element and £0.7m GLA precept). On 17 July 2012, cabinet concluded that the council is unable to meet what effectively is a cut in benefit expenditure, in full or in part, and must therefore pass on this cut in expenditure to the people who currently claim CTB.
12. Under the forthcoming provisions of the Local Government Finance Bill 2012 (which will amend the LGFA 1992) a requirement under Section 13A will be for the council to amend our policy on the power for councils to reduce the amount of tax available. The policy will include the new S13A(2) local council tax reduction scheme (CTRS), which in its administration and application recognises and provides for the 10 per cent reduction in benefit expenditure. The policy is shown at appendix A.
13. The government has stated that people of pension age must be protected from these cuts so that if they currently receive benefit entitlement they will not lose out under the new scheme. However, this does mean that since the burden of the 10 per cent cut has to be borne by the remaining working age benefit claimants, the overall cut equates to a 15 per cent reduction for working age claimants.
14. The following tables capture the split between working age and non-working age claimants in Southwark and provide an analysis of working age claimants.

#### **Council Tax Benefit (CTB) Caseload – September 2012 data**

Figure 1.

<b>Caseload type</b>	<b>All ages</b>	<b>Working Age</b>	<b>Non-Working Age</b>
<b>Number of claimants</b>	35,878	23,689	12,189
<b>Expenditure</b>	£27,840,154	£18,274,205	£9,565,949

#### **Working Age (WA) caseload analysis - September 2012 data**

Figure 2.

<b>Passported benefit</b>	<b>Non-passported benefit</b>	<b>Claimant or partner working</b>	<b>Claims with children</b>	<b>Lone parents</b>	<b>Households with a disability</b>
16,317	7,372	5,195	11,102	8,763	4,262

15. DCLG have reminded authorities that when designing local schemes, they should have regard for vulnerable groups and their statutory responsibilities in respect of child poverty, disabled people, and homelessness. In addition, the local authority has clear duties set out under the Equality Act 2010, including the duty to eliminate discrimination and advance equality of opportunity. Schemes

are also required to be consistent with Universal Credit and provide incentives to work.

16. In the report presented to cabinet on 17 July 2012, cabinet were informed of the approach that had been adopted to develop various scheme options, including an explanation of the existing CTB caseload together with narrative of the different types of claim, e.g. passported and non-passported.
17. Cabinet were also informed that detailed modelling activity had been undertaken using the existing working age CTB data, enabling an analysis of individual benefit entitlements to identify household groups, how many claims are made from those groups, income types and income levels. This information enabled the council to determine which strategies could be used to deliver the necessary savings and support a local scheme.
18. The report presented to cabinet in July also set out some of the IT constraints the council faced in developing a local scheme, brought about by the lack of clarity at the time on what was deliverable through the existing software provider.

## KEY ISSUES FOR CONSIDERATION

### The Preferred Option

19. On 17 July 2012 cabinet considered several model schemes but agreed that due to the shortfall in central funding, a preferred option would be presented to stakeholders for consultation. This option delivered the 10 per cent reduction in expenditure across working age claimants which was considered not so disproportionately unfair to any particular claimant group as it mirrors the existing means tested scheme.
20. The scheme headlines are captured in the table below.

Figure 3.

Scheme or Element	Saving achieved	Customer Impact
85% cap applied to current award of Council Tax benefit. Cap equates to a 15% reduction of current benefit award across all working age customers.	<b>£2,741,131</b>	Cap equates to an average loss of £115.71 in annual benefit award across all working age customers, but ranges from £0.08 to £304.72
Abolition of Second Adult Rebate for working age claimants	<b>£57,846</b>	Cap equates to an average loss of £227.74 in annual benefit award across 254 working age customers

21. The preferred CTRS scheme is based upon existing CTB rules; these recognise and provide for additional benefit to be paid to claimants with children and claimants with disabilities. In addition, retention of the existing Extended Payments mechanism for people moving into employment supports the incentive to work principle through provision of a four week 'run-on' of benefit at the previous rate of entitlement.

22. Before adopting a local scheme for CTRS or changing a scheme once adopted, it is a statutory requirement to consult with local taxpayers, stakeholders and major preceptors. On 17 July cabinet approved the consultation approach and an eight week consultation period which commenced on 18 July and ended on 12 September. The consultation enabled stakeholders to express views on the preferred option and to proffer comments and alternative views. The consultation approach and the questions which formed the basis of the consultation are captured in Appendix B.

### Consultation

23. The consultation approach consisted of two separate strands to maximise coverage and visibility to Southwark residents. The first strand consisted of an online consultation open to all residents and representative organisations. The consultation asked for feedback on the preferred CTRS scheme and asked for any enhancements that could be made.
24. Promotion of the online consultation consisted of writing directly to all 36,080 existing CTB claimants, advising that CTB for working age claimants was to change from 1 April 2013 and signposting them to the online consultation pages via a direct link. Paper copies of the consultation were made available and promoted through the Customer Service Call Centre, One Stop shops, Libraries and 3<sup>rd</sup> sector partner organisations. Throughout the consultation period the promotion of the consultation at the One Stop Shops and Libraries was reviewed and additional marketing material introduced to increase public awareness and engagement. The consultation was also promoted via a number of media channels including conventional and new media such as articles in Southwark Life, the South London Press, Twitter and web pages.
25. The second key strand of the consultation strategy involved direct engagement with stakeholders and representative groups through attendance at twenty public events including Community Councils, Housing Forums, Financial Inclusion workshops, Tenant Councils and other stakeholder forums. These events were attended by a total audience in excess of 600 and included CTB recipients, community representatives, members of the advocacy sector and landlords. Issues raised, comments and feedback were captured at these sessions and formed part of the subsequent consultation analysis.
26. The proposed scheme was shared with the Greater London Authority (GLA) and the Mayor of London as prescribed; The Mayor of London's office confirmed that the GLA would be responding on their behalf and this was received on 12 September 2012. The response is included in appendix C of this report. A summary of their reply and the council's response is set out in paragraph 49.
27. Full detail of the consultation process is given in appendix D and includes:
- the log of responses received
  - the schedule of direct engagement activity and attendance

### Consultation response

28. In total, **153** consultation responses were received. Of this total:
- **127** completed forms were received online
  - **26** paper forms were received via post, One Stop Shops or libraries

- Of these, 137 were from individuals, 7 were from voluntary organisations and 9 were from landlords
  - In addition to the 153 responses received, a further 31 forms were returned without comment
29. A separate written response to the consultation was received from Southwark Legal Advice Network (SLAN) on 11 September 2012 and can be found in appendix I of this report. SLAN is a group that builds on the existing Southwark Community Legal Services Partnership, which includes voluntary sector advice providers, private practice solicitors, community and statutory agencies. To reflect SLAN's local prominence and the number of stakeholders they represent in Southwark, a separate council response is set out in paragraph 50.
30. A consistent approach to analysing the outcomes of the online and direct consultation was used. All direct responses and engagement activity were recorded in a matrix allowing officers to identify all themes that emerged. This enabled a high level view of the main concerns and issues that were being raised through both consultation strands to be formed.

### Consultation response - Main themes and issues raised

31. The main themes and messages from the online consultation and direct engagement are detailed below:

Issues and Themes	Number of times raised through Online consultation	Number of times raised through Direct engagement
Low income / poverty / means testing	91	15
Disability	47	5
Wider welfare reform	26	12
Other	20	0
Not able to work	16	0
Family	14	0
Local economy	9	0
Recovery approach	11	8
Migration	6	0
Vulnerability including addictive behaviour	8	0
Adverse impact on service	5	2
Opposed to pensioner protection	4	1
Fraud	3	0
Reduce Council expenditure and fraud	0	3
Non-dependent pensioners	0	2
Migration	0	2
Council Tax increase / amend discounts	2	0

32. The three most frequently raised issues through consultation were poverty, disability and wider welfare reform and the following paragraphs capture representative responses from the consultation exercise. In addition, concerns around the impact on families and children are included as these issues were often connected by responders to other themes such as poverty. The Equality Analysis conducted into CTRS also highlighted that this group could be impacted by the scheme.

- **Poverty / Low income**

33. The issue of poverty and income levels was raised as a concern by 91 individual responders, two representative groups and at direct engagement sessions attended by 478 attendees. Some of the direct comments received are detailed below:

Responder type	Quote
CTB recipient	"I am on JSA and only have £10.47 per week after paying utilities so can only afford to eat 5 days a week if I have to pay some CT the only way I can afford it is to cut down further on food money."
CTB recipient	"I receive £71 a week J.S.A, and out of this I need to pay per week £26 water/hot water charges, £9 (reduced) bus fares. £12 Utilities bills, Total £47...This leaves me with £24 a week for food, clothes, toiletries etc. Approx = 1/3 of my allowances (J.S.A). Even If I was asked to pay £4 a week, this for me would be huge loss. By the Government passing Council Tax to local councils they are keeping the rich and making poor even poorer! Can this be right and ethical."
CTB recipient	"Income support and other supports from the government are just too low to meet rising costs of basic things: with rising living costs (water, gas etc) coming to around £23 per week."
CTB recipient	"This will be affecting my weekly income and I will have to cut back on some of the basic necessities and needs to meet this shortfall in Funding. I will have to cut back on my weekly basic food expenses and other needs. Thanks."
CTB recipient	"I find this shocking considering I receive only £142 every 2 weeks jobseekers' allowance and you are proposing to take money off that tiny amount towards Council Tax. This will result in even more significant financial difficulties for me and others in my position. £142 every 2 weeks is barely enough to get by without you adding to the burden by taking more off it."
Registered Social Landlord	"This will impact on the low wage workers. One possibility may be to increase the Council Tax on expensive properties to compensate for those on low income."

- **Disability**

34. Disability was raised as a concern by 47 individual responders, two representative groups and at direct engagement sessions attended by 100 attendees. Some of the direct comments received are detailed below:

Responder type	Quote
CTB recipient	"Disabled residents should continue to receive 100% discount under the new scheme if they are currently in receipt of Council Tax benefit."
CTB recipient	"As a disabled person I feel that I should not have to use my disability benefits to pay for my Council Tax."
CTB recipient	"I am of working age but unable to work dues to my medical status. I have cancer which has spread in my body and my treatment for this makes me extremely tired and unwell . I receive DLA & ESA higher support rate because of these. I hope that I would be able to pay any charge levied on my but I cannot increase my capacity to work, it is not expected that my health will improve. People in similar circumstances will be distressed by these new council proposals."
CTB recipient	"I am disabled and receive E.S.A .and the amount of money I get is worked out by the government to be precisely what I need to live on each week. If in future I cannot get full Council Tax benefit and have to take the shortfall from my other benefit payments, would the government be in default of its contract with me? The money I would be then have to live on would be less than amount agreed upon? Could I seek a judicial review?"

Responder type	Quote
CTB recipient	"Not all working age claimants can work. People who are currently in receipt of DLA are going to have their benefits halved in the autumn of 2013 when the mobility component is stopped. A charge for Council Tax, no matter how small, will impact most on this group who are also losing a large proportion of their income."
Voluntary organisation	"It is completely unfair to squeeze the unemployed and disabled further by blaming government changes and cuts. Money could be clawed from some of the vast amounts spent on road humps for example. In fact there are many council departments like maintenance that waste vast amounts of money far in excess of 2.8 million per year."

- **Wider welfare reform**

35. Wider welfare reform was raised as a concern by 26 individual responders, one representative group and at direct engagement sessions attended by 323 attendees. Some of the direct comments received are detailed below:

Responder type	Quote
CTB recipient	"Before cutting or decreasing any benefits the government should think about people too. The prices are rising, benefits are cut, no profits for the family. I have been living on the low income, but after this new offers I see that I won't have enough money for myself as well as for the baby. I suggest to rise income support as much as decrease any benefits."
CTB recipient	"I think this is a disgrace. As well as the fact that we will have to pay 14% of our rent as we are deemed to be under-occupied, I don't know how we are going to be able to live."
CTB recipient	"It will make things even more difficult given that other benefit levels will be going down over the next few years because the government has changed the way annual increases are pegged to inflation. It feels like all the cuts are being dumped on the poorest."
CTB recipient	"It will be a very difficult situation for many, as in reality the total amount of support may fall much more. Without knowing the exact impact of the so called universal credit for example, it may well be that some people on low incomes will face an impossible situation. Also the DLA review will put many people out of reach of automatic Council Tax benefits. If this government reform will save as much as they think a similar saving in the Council Tax benefits should be available to the council, without having to make everybody suffer. I would have thought the idea behind the government plans is to simplify all benefits and how they affect each other - Southwark method of solving the shortfall would work totally against it."
Charitable Trust	"We consider this Consultation is flawed because it fails to address the impact of housing benefit caps and the position of people who will be faced with the choice of paying either the increase in rent occasioned by the HB cap or paying the minimum 15% to be demanded by Southwark. Which should a person pay? We consider that all persons affected by the caps eligible for full CTB continue to receive it. People cannot be expected to absorb the effect of two caps in benefit simultaneously."

- **Families / Child poverty**

36. Families and Child Poverty were raised as a concern by 14 individual responders. Some of the direct comments received are detailed below:

Responder type	Quote
CTB recipient	"Some people could probably swallow this up, i.e. the single person without children, or indeed families on limited income. Other areas can not swallow it at all and will become a greater burden on already stretched and too small living budgets."
CTB recipient	"It may encourage some people to find or take paid work to help support their families. On the other hand it will hit hard those families who are already working and are on low income substantially. And those who struggling to make ends meet through no fault of their own."
CTB recipient	"I've been on income for one year now, single mum to two children, one going through assessments for DCD,ADHD,ASD. I would not be able to work right now with these assessments so don't feel it's right to punish me for this when I had worked from age 14 to 29."
CTB recipient	"I am a single parent already trying to support my family on a low income by working part-time. I have been committed to bringing up my children without state benefit if possible, but feel this is not taken in to consideration and am constantly anxious about managing financially for the future."
Landlord	"This change will affect many people (people who really need) I hope that the government purposes to better use the money since it will take the budgets of families."

### Council's response to main themes and issues raised

37. The council understood when the consultation commenced that any proposed change away from existing entitlements available under the existing CTB scheme would be highly challenging for local residents, irrespective of the fact that the changes were being introduced as a consequence of government legislative change. The council had considered alternative schemes, but only the application of an 85 percent cap on CTB entitlement was felt to deliver the savings required whilst not being disproportionately unfair to any particular group. A full Equality Analysis of the impact of the proposal has been completed to inform this decision, the details of which are summarised in the Community Impact Statement at paragraph 51 of this report.
38. The greater weight of response from the representative groups and online response draws attention to low levels of income, disabled claimants or households with children. They suggest that a reduction in benefit and a requirement to pay council tax of over £5 per week in some cases will only add to the financial burden already faced by these groups. There is no doubt that challenges may be faced by claimants in these groups, particularly if they have not paid council tax in the past. In responding to this understandable concern, the council will need to ensure that maximum support is available to these groups so that they are informed about their individual changes and to direct them to support partners who are able to deliver appropriate support including budgeting, financial and debt management.
39. The proposed scheme itself is based upon existing CTB legislation which makes provision for claimants with children and / or disabilities to receive a greater level of financial support compared to working age households that fall outside of those groups. By adapting the CTB scheme, this principle is retained within the preferred CTRS scheme and as a result, households with children and / or disabilities will continue to receive proportionately more benefit than other working age claimants. This detail is demonstrated at Appendix E

40. Similarly the government's stated intention of encouraging claimants in to work is also supported by the Extended Payments principle which is retained under the new CTRS scheme.
41. A plan of engagement with the above groups will therefore need to be developed and together with our third sector partners encourage and direct affected claimant groups to support centres and events in run-up to March 2013 and thereafter. These actions are in line with those identified in our Equality Analysis and include:

Issue	Mitigating action	Working with
Financial inclusion	We will continue to work with third parties including credit unions and advice agencies to identify opportunities to increase the provision of financial education and budgeting support.	<ul style="list-style-type: none"> <li>• Credit Unions</li> <li>• Advice sector</li> <li>• Voluntary organisations</li> <li>• Rightfully Yours</li> </ul>
Recovery of Council Tax	We will review recovery policies and procedures to ensure that they are fair and reflect the shift in behaviour that is required from tax payers previously not liable for any Council Tax.	Other L/A's to ensure a consistent approach
Community engagement	As part of the operational roll-out of CTRS, due regard will be given to affected groups to ensure that engagement and communications are targeted to offer relevant support and advice.	<ul style="list-style-type: none"> <li>• Advice sector</li> <li>• Voluntary organisations</li> <li>• Adult Social Care</li> <li>• Rightfully Yours</li> </ul>
Severely Mentally Impaired (SMI) take-up	Tax Payers with a severe mental impairment are entitled to a full exemption from Council Tax. A take-up campaign for SMI exemptions will be implemented in the run-up to April 2013 through Southwark's Rightfully Yours service. This will ensure that people who fulfil the criteria are exempt from paying Council Tax and will therefore not be subject to the 15% reduction.	<ul style="list-style-type: none"> <li>• Rightfully Yours</li> <li>• Adult Social Care</li> <li>• 3<sup>rd</sup> Sector Agencies</li> </ul>
Disability Living Allowance take-up	A take-up campaign for Disability Living Allowance will be implemented in the run-up to April 2013 through Southwark's Rightfully Yours service. This will ensure that people who qualify will be more likely to receive a greater level of support under CTRS and will be exempt from some of the wider welfare reforms coming into affect from April 2013.	<ul style="list-style-type: none"> <li>• Rightfully Yours</li> </ul>
Disregarded incomes	In line with CTB, CTRS will disregard War pensions / War Disablement Pensions as income.	N/A
Equality analysis	Following the introduction of CTRS, further equality analysis will be conducted to measure the impact of this policy and whether this has had any unanticipated, disproportionate affect on any particular groups.	N/A

42. Welfare reform was the third most common issue identified through consultation. A range of activities are taking place across the authority in response to the government's welfare reform agenda. This activity is set out in appendix F, and a plan will be developed to enable affected groups to access relevant support and advice through appropriate channels.

### Consultation response – removal of second adult rebate

43. The abolition of Second Adult Rebate was commented on by 111 individual responders and six representative groups. At the direct engagement sessions, some attendees commented on its abolition but this was not a source of significant discussion. Some of the direct comments received are detailed below:

Responder type	Quote
CTB recipient	"As Southwark resident I was not aware of the 2nd adult rebate scheme."
CTB recipient	"This will affect many families in Southwark on low income. Many young adults living in a family may be forced onto the streets."
CTB recipient	"Second adult rebate should be available on the local Council Tax support scheme especially on those on low income."
Council Tax Payer	"I am concerned that this will discourage true carers from be able to look after loved ones and/or encourage single motherhood status. Why can there not simply be a cap so that after jobseekers allowance and all the other non-Council Tax benefits, the addition of Council Tax benefit can not cause the total benefits to be in excess of that?"
CTB recipient	"This part of the proposal is perfectly acceptable, at least for now; when the economy does pick up in the future then the situation should be reviewed."
CTB recipient	"I would support this measure. But I don't agree that older persons should have protected status."
Council Tax Payer	"Daylight robbery."

### Council's response to consultation on removal of second adult rebate

44. Second Adult Rebate is currently paid to 254 claimants. Although claimed by the person liable for council tax, the rebate is based on the income of the 'second adult', who is usually a grown up child or elderly parent residing with the claimant. The rebate is designed to refund the liable person for the Single Person Discount they lose in allowing a second adult with a low income to live with them.
45. A smaller response was received through consultation on this aspect of the scheme. Amongst some responses there was confusion about what Second Adult Rebate is and what the effects of removing this entitlement may be, particularly on low income households
46. Although it is proposed that Second Adult Rebate is abolished for working age cases, Southwark's preferred CTRS scheme will continue to support households with a low income.
47. Accordingly, officers will contact recipients of this rebate prior to April 2013 advising them to make an application for CTRS based on their own income rather than their second adult.

Issue	Mitigating action	Working with
CTRS take-up	Contact all Second Adult Rebate recipients prior to April 2013 to inform them of the implications of CTRS and to offer them the opportunity to make a claim based on their household income levels.	N/A

### Consultation response – alternative enhancements and suggestions to scheme

48. A wide range of alternative comments to the scheme were identified through consultation. Below are some of the direct comments that were received:

Responder type	Quote
CTB recipient	“All cuts should be borne across the whole area of the council activities and not have just one particular council service adversely affected. The whole budget should be set so that everyone can see that it is fair and just. The council itself should also look to reduce the impact of any cuts by reducing the operating costs of the council and rooting out waste and inefficient operations. I am not convinced that the proposed scheme is the way forward and would vote against it.”
CTB recipient	“The right thing to do. But the council must reduce its expenditure as well. Do not cut jobs this is not the way. But try to save. I see so much waste in my area that I could not enumerate it here.”
CTB recipient	“I believe the Children’s and Families division of Southwark Council needs to have a larger budget reduction. In addition the demolition of Mabel Goldwin House and the Spa Road Complex has brought in enough money to be able to ease this process. Why does Southwark Council sell off its property that it owns and then rents 160 Tooley St. This seems mad. I was a Southwark employee in Facilities management for 21 years so I know my stuff.”
CTB recipient	“I think you should have some means testing scheme in place to help people get extra benefit or grant direct from the government. As there are lots of people who can not afford to pay part or full Council Tax. as it is not possible for them to do so.”
Council Tax Payer	“I think benefit cheats should be properly looked into in order to strengthen the proposed introduction so as not to give room for any financial constraint.”
CTB recipient	“It should be engineered so that present claimants in receipt of full rebate should be protected and continue to benefit.”
CTB recipient	“The council could consider other streams of revenue to seek funds to make up for the government cuts, such as parking fees and fines, rather than expecting disability welfare recipients to make up for it from an already low income.”
Charitable Trust	“... Southwark should not lose sight of the fact that under the Local Government Finance Act 1992 the Council Tax is designed as a property tax ultimately payable by owners, and consideration should be given to ways of increasing the amount levied on properties in bands G and H and empty properties and second homes not by reducing support to the poorest in the community.”
Voluntary organisation	“Letting people know now that they will be making up the 15% difference so that they can prepare.”

49. Many of the suggestions and enhancements received through consultation covered similar topics allowing officers to summarise them. Below is a summary of the suggestions received, along with a council response to each.

<b>Enhancements to scheme</b>	<b>Number of times raised</b>	<b>Council response</b>
Means test CTRS	25	Southwark's CTRS scheme will be means tested and as a result offer more support to households with a lower income level.
Support the disabled	25	Southwark's CTRS scheme will be means tested and as a result offer more support to households with a lower income level. By adapting the existing CTB scheme, CTRS will also offer more support to disabled households than their non-disabled equivalents.
Do not apply a Benefit Cap	24	In order to achieve the £2.8m saving required, it is the councils' view that a cap is the fairest approach so that no one group is disproportionately affected. A number of options were considered and modelled earlier in the year but an 85% cap emerged as the preferred scheme.
Support those on benefits	23	Southwark's CTRS scheme will be means tested and as a result offer more support to households with a lower income level; this includes households already in receipt of benefits.  By adapting the existing CTB scheme, CTRS will also offer more support to disabled households than their non-disabled equivalents.
Support those with low earnings	16	Southwark's CTRS scheme will be means tested and as a result offer more support to households with a lower income level. This includes households in receipt of low earnings.  Southwark's CTRS scheme has also retained Extended Payments which supports work incentives and help people back into employment. Southwark has also opted not to amend the income taper or earnings disregards that already exist within CTB.
Support families	11	Southwark's CTRS scheme will be means tested and as a result offer more support to households with a lower income level. This includes families in receipt of low earnings. By adapting the existing CTB scheme, CTRS will also offer more support to families than households without children.
Increase Council Tax	7	The council has made a commitment to freeze Council Tax.
Prevent homelessness	7	Southwark's CTRS scheme will be means tested and as a result offer more support to households with a lower income level. However there is no direct correlation between CTRS and homelessness as Council Tax arrears do not lead to eviction.
Increase the level of support	5	We will continue to do all we can to support our most vulnerable residents; however the council is not in a position to meet the £2.8m reduction in funding from central government.  Southwark's CTRS scheme will remain a means tested discount and as a result offer more support to households with a lower income level including disabled households and families.

Enhancements to scheme	Number of times raised	Council response
Do not protect pensioners	7	The council has no discretion over this element of the scheme and is required by central government legislation to ensure that pensioners see no reduction in the level of support they currently receive under the existing CTB scheme.
Reduce fraud	4	The council has a range of controls in place to prevent, detect and investigate benefit fraud. We also rely on the vigilance of the community to help us detect the fraudsters.  In July 2012 The Department of Communities and Local Government published a statement of intent detailing the necessary powers, offences and penalties, to allow local authorities to investigate and tackle potential fraudulent CTRS claims. <sup>1</sup>
Support long-term unemployed	3	Southwark's CTRS scheme will be means tested and as a result offer more support to households with a lower income level. This includes households in receipt of various out-of-work benefits.  Southwark's CTRS scheme has also retained Extended Payments which supports work incentives and help people back into employment. Southwark has also opted not to amend the income taper or earnings disregards that already exist within CTB.

### GLA response

50. Detailed below are some of the key points raised in the GLA response (appendix C), along with the council's response:

GLA response	Council reply
"In the GLA's view final decisions on local Council Tax support schemes should not be divorced from those taken in respect of the technical reforms."	Officers welcome this comment and work is already underway to model the potential impact of technical reform of council tax in Southwark.  The final decision on adoption of these must be made by Council Assembly and consideration will be given as to how collectible these new sums would be and the impact on the council's housing revenue account on any potential savings.
"The GLA notes that Southwark's draft scheme does not provide for any additional protection to any working age claimant group – although pensioners would continue to receive Council Tax support on the same basis as at present in line with the national framework set by central Government. In the Council's view to offer protection to all disabled and family groups for example would	The modelling contained within this report and accompanying Equality Analysis demonstrates that by adapting the existing CTB scheme, Southwark's CTRS scheme continues to offer a greater level of support to disabled households and households with children.  Officers acknowledge the GLA comments received and welcome the view that Southwark's scheme is in compliance with the national policy framework.

<sup>1</sup> <http://www.communities.gov.uk/publications/localgovernment/localisingcounciltaxstatement>

GLA response	Council reply
<p>disproportionately impact upon the remaining small group of working age claimants.</p> <p>Ultimately the decision as to which groups are designated as vulnerable is a matter for local determination having regard to the potential impact on other working age claimants or Council Taxpayers and service users more generally. We recognise that Southwark has complied with the policy framework set by central government in deciding not to offer protection to specific categories of claimant.”</p>	
<p>“The GLA considers that a key priority for the design of a localised Council Tax support scheme is to ensure that it does not disincentivise those in work or those seeking to move into work. In order to ensure that schemes meet this objective billing authorities should therefore take particular care in determining their policies on earnings disregards and extended payment periods (i.e. run ons).</p> <p>We would encourage the Council to consider how its final scheme could be designed in a way which does not disincentivise work.”</p>	<p>Officers acknowledge the comments made here and recognise the importance of incentivising work.</p> <p>In recognition of this, Southwark’s CTRS scheme has maintained the existing Extended Payment arrangements affording claimants an extra four weeks of benefit at previous entitlement levels when they make the move into employment.</p> <p>In addition, contrary to some other local authority approaches Southwark has opted not to amend the income taper or earnings disregard that already existed in CTB to maintain the existing incentives that formed part of the former scheme.</p>
<p>“The GLA would encourage the Council to provide it with an indicative Council Tax base forecast as soon as options are presented to members for approval in December or January (if not before) in order that it can assess the potential implications for the Mayor’s budget for 2013-14. This should be accompanied ideally by supporting calculations disclosing any assumptions around collection rates and discounts granted having regard to the final Council Tax support scheme design.”</p>	<p>The information specified will be shared with the GLA at the earliest opportunity.</p>

### Southwark Legal Advice Network’s (SLAN) response

51. Detailed below are some of the key issues and enhancements raised in SLAN’s response to the consultation (appendix I), along with the council’s responses:

SLAN response / enhancement	Council reply
<p>“One of the ways in which the shortfall of £2.8m might be covered is to continue to improve collection rates. If Southwark’s collection rate of 94.5% (2011-12) could reach 97% then the bulk of the shortfall would be</p>	<p>Maximising council tax collection is an important priority for the council as demonstrated by the 2011/12 collection rate of 94.5%, which represented a 1.8% increase in collection from the previous financial year. This year a review of Single Persons’ Discount is underway with the aim of increasing collectible council tax by a further £0.5m.</p>

SLAN response / enhancement	Council reply																						
covered.”	<p>There are however extraordinary economic pressures being placed on all council tax payers, not just CTB recipients, including low levels of employment, high rent levels and wider economic factors.</p> <p>Modelling work is currently underway in partnership with a third party to try and understand tax payers' propensity to pay next year so that we can ensure that collection is maximised.</p>																						
“Phased introduction of the scheme – e.g. maximum payment in Year 1: 5%, Year 2: 10%, Year 3: 15%.”	<p>Whilst a phased introduction might offer some transitional protection to current benefit recipients, it would not deliver the savings necessary to operate the scheme.</p> <p>Given that government's annual settlements with the London Borough of Southwark have decreased substantially since May 2010 and are set to decrease significantly further in future years, it is unable to cover the estimated shortfall in funding of at least £2.8m without impacting on either services or the level of council tax. However, the Council will continually review the impact of the scheme and the future strategy.</p>																						
“Ceiling support based on B and D or E (i.e. those living in higher bands not to receive higher support).”	<p>A liability cap at band C was explored as part of the modelling activity that took place earlier in the year. Modelling demonstrated that capping at band C delivered a saving of £380,395, far short of the £2.8m required.</p> <p>Capping at band C would also lead to some significant reductions in financial support for certain benefit recipients, with some households set to lose over £900 per year:</p> <p><u>Impact of Band C cap (value of annual financial support lost):</u></p> <table border="1" data-bbox="826 1420 1273 1783"> <thead> <tr> <th>Amount of annual CTRS lost</th> <th>Number of claims affected</th> </tr> </thead> <tbody> <tr> <td>£0 - £99.99</td> <td>576</td> </tr> <tr> <td>£100 - £199.99</td> <td>680</td> </tr> <tr> <td>£200 - £299.99</td> <td>120</td> </tr> <tr> <td>£300 - £399.99</td> <td>14</td> </tr> <tr> <td>£400 - £499.99</td> <td>429</td> </tr> <tr> <td>£500 - £599.99</td> <td>11</td> </tr> <tr> <td>£600 - £699.99</td> <td>58</td> </tr> <tr> <td>£700 - £799.99</td> <td>3</td> </tr> <tr> <td>£800 - £899.99</td> <td>0</td> </tr> <tr> <td>£900 or more</td> <td>13</td> </tr> </tbody> </table> <p>(Based on July 2012 data)</p> <p>The modelling also showed that the banding of a property bears little relation to the income of the household, with some households affected in receipt of Income Support and Jobseeker's Allowance. The impact of the cap on these groups could therefore be extremely disproportionate and their ability to make up this shortfall</p>	Amount of annual CTRS lost	Number of claims affected	£0 - £99.99	576	£100 - £199.99	680	£200 - £299.99	120	£300 - £399.99	14	£400 - £499.99	429	£500 - £599.99	11	£600 - £699.99	58	£700 - £799.99	3	£800 - £899.99	0	£900 or more	13
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SLAN response / enhancement	Council reply
	would therefore be limited.
<p><i>“Increased allowances for non dependants living in household (i.e. when calculating income).”</i></p>	<p>The impact of doubling existing non-dependant deductions was explored as part of the modelling activity that took place earlier in the year. Modelling demonstrated that doubling deductions would deliver a saving of £309,764, far short of the £2.8m required.</p> <p>At the time modelling took place, the number of claims with non-dependent deductions stood at 1,173.</p> <p>A consideration in future years for increasing non-dependent deductions would be that they rely on the non-dependent making a contribution to the claimant’s household in order to make up the shortfall in rent and Council Tax. A risk associated with increasing these deductions is that non-dependents on very low income will simply be unable to make up the shortfall from their income leading to the claimant falling into arrears.</p>
<p>“Aligning capital ceiling with £8,000 proposed for Universal Credit (i.e. no ‘taper’ between £8,000 and £18,000).”</p>	<p>As part of our modelling activity earlier in the year we explored a range of capital ceilings from £6,000 up to £15,000. None of the modelling conducted achieved a significant saving due to the small number of claims that have capital of this level.</p> <p>A further consideration was that having different capital levels for Housing Benefit and CTRS could create additional confusion for claimants.</p> <p>In addition, implementation of this option would rely on our software provider being able to deliver different capital calculations for Housing Benefit and CTRS, presenting a significant risk to the scheme implementation should this option not be available.</p>
<p>“Creation of a sizeable hardship fund (e.g. for backdating support for those on lowest income).”</p>	<p>We are currently reviewing our approach to a discretionary hardship payment in light of the localisation of the social fund from April 2013; however there will be severe financial restrictions in place.</p>
<p>“100% support for households with someone with severe disability.”</p>	<p>Offering full protection to disabled households was explored as part of the modelling activity that took place earlier in the year.</p> <p>The modelling demonstrated that this approach would leave a shortfall of over £516,000 as the 15% reduction imposed on other claims was not great enough to cover the £2.8m funding shortfall. We established that in order to achieve the necessary saving, non-disabled working age households would need to face a 19% reduction in their current benefit levels, which would bring the average reduction for this group to £144.91p.</p> <p>A further risk associated with awarding protection to disabled households is that there is not a full record of how many disabled households are within our caseload. Under</p>

SLAN response / enhancement	Council reply
	<p>the current assessment regime it is not necessary to record a disability status on claims that are 'passported' and there are therefore likely to be more disabled households than we are currently able to identify. With over 68% of our caseload receiving a passported status, there is a significant risk that the £2.8m saving required would not be achieved should the number of disabled households increase. The subsequent percentage reduction imposed on non-disabled households would then have to be even greater.</p> <p>Further analysis of Southwark's CTRS scheme offers a comparison between the protection offered to disabled households under the existing CTB scheme and that offered under CTRS. It demonstrates that by adapting the existing CTB scheme, disabled households will on average receive a higher award of CTRS than non-disabled households. Therefore whilst these groups will see a 15% reduction in financial support they will still receive greater levels of financial support under CTRS.</p>
<p>"100% support for single parents with children under 5 years."</p>	<p>As part of our modelling activity earlier in the year we explored the impact of protecting single parents with children under 5 years of age.</p> <p>The modelling demonstrated that this approach would not achieve the required £2.8m saving required and would therefore put pressure on other groups including single parents with children over 5 and other family groups. Southwark's CTRS scheme adapts the existing CTB scheme and therefore retains the family premium and dependant's allowance.</p> <p>Further analysis of Southwark's CTRS scheme offers a comparison between the protection offered to single parents under the existing CTB scheme and that offered under CTRS. It demonstrates that by adapting the existing CTB scheme, single parents will on average receive a higher award of CTRS than non-parents. Therefore whilst single parents will see a 15% reduction in financial support they will still receive greater levels of financial support under CTRS than claimants without children.</p>
<p>"Does the local authority intend to revisit its collection and recovery of arrears provision?"</p>	<p>This has been identified as one of our mitigating actions within this report.</p> <p>Although Council Tax collection and recovery must remain robust, we recognise that this activity must be fair, transparent and proportionate.</p>
<p>"We don't know how well it is known that people with severe and enduring mental illness do not need to pay Council Tax, or how many exemptions there are in Southwark. Perhaps it will be helpful if more people in this category</p>	<p>This has been identified as one of our mitigating actions within this report.</p> <p>Southwark's Rightfully Yours team will conduct a promotional campaign around this exemption and explore joint working activities with the NHS.</p>

SLAN response / enhancement	Council reply
can be helped towards exemption.”	

### Community impact statement

52. An updated Equality Impact Assessment on localising support for council tax was published by the Department of Communities and Local Government in June 2012.<sup>2</sup> There is a requirement from DCLG for the council to carry out its own equalities assessment.
53. An Equality Analysis (EA) has been completed for the proposed CTRS scheme and can be found at appendix G of this report. The EA document provides a comprehensive analysis of the equality implications arising from the proposed scheme and the related mitigating actions.
54. The EA identified that over and above those CTB recipients of pensionable age who receive favourable treatment as a consequence of government policy the proposed scheme does not discriminate against any individual or group of beneficiaries.
55. The EA modelled a number of outcomes in relation to different recipients and households and most importantly highlighted that alternative models would have resulted in creating a higher impact on those not protected or protected less favourably.
56. The EA modelled offers an analysis of the impact on CTRS and disabled households. It identifies that even with a 15 percent reduction in support, these households will continue to receive a higher level of benefit as a result of retaining the disregards and premiums that form part of the current CTB scheme.
57. The EA identified that there is limited information in relation to the level of entitlement by racial group due to the absence of this data in the benefit assessment system. The approach adopted however will reflect the existing council tax benefit scheme profile therefore no community will receive differential treatment.
58. The EA sets out a series of mitigating actions that will be taken in response to the impacts identified by the analysis, including financial support and advice.
59. The EA will be presented in full as part of the report put to council assembly later in the year for consideration and reflection at the decision making stage.

### Resource and operational implications

#### Default scheme

60. If authorities have not adopted a CTRS scheme for 2013/14 by 31 January 2013, then the current ‘default’ council tax benefit scheme will continue as the default position. This is legislative provision set out in the Local Government Finance Bill 2012 currently before Parliament. This would mean that the whole of the

<sup>2</sup> <http://www.communities.gov.uk/publications/localgovernment/lgfblocalisingcounciltax>

financial impact of the 10 per cent funding reduction would fall to the council and its preceptors and claimants would experience no change.

### **Detail of the scheme**

61. Under Section 13a of the Local Government Finance Act 1992 (“the 1992 Act”) (to be inserted by the Local Government Finance Bill 2012), each Billing Authority in England is required to make a council tax reduction scheme specifying the eligibility for reduction which are to apply to amounts of council tax payable by persons, or classes of persons, whom the authority considers to be in financial need. These reductions are to be shown as discounts on future council tax bills.
62. The council has developed a local CTRS scheme, a full version of which is set out within appendix H. The prescribed requirements to be included in the scheme are set out in the 1992 Act and the draft Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012. As both the amended 1992 Act and the draft regulations are not yet in force, the scheme is in draft form. The 1992 Act is due to be amended once the LG Finance Bill 2012 receives Royal Assent in late October / November, and enables the Secretary of State to make Regulations accordingly.
63. The scheme rules set out how the scheme is to be administered for both pensioner age and working age recipients. For pensioners these are prescribed by The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. The prescribed requirements regulations have thus far only been published in draft form. For working age claimants these are local rules developed as a requirement of The Local Government Finance Act 2011, with certain elements of the working age scheme also prescribed by The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.
64. The council’s local rules for the working age recipients replicate as far as is possible the current council tax benefit regulations and therefore capture the application process, method of application, the detailed basis of the calculation, means testing of income and the decision making process.
65. Those claimants in receipt of council tax benefit as at March 2013 will automatically qualify for CTRS without the need to make a new claim, saving residents the burden of applying again in the same year. With the exception of those of pensioner age, entitlement will be capped at 85 percent from 1 April 2013 and liability for the balance will therefore be shown upon council tax bills issued in March 2013 for the 2013/14 financial year.

### **Proposed application process from 2013**

66. Under Universal Credit, housing benefit will begin to be phased out from October 2013 at the earliest and housing costs will then be addressed under Universal Credit from April 2014.
67. The requirement under the local scheme is that CTRS shall be a means tested discount, therefore as applications for housing benefit will continue “as is” in 2013 the existing processes and systems can be adapted. The advantages of this are numerous both for the claimant and the council including established access channels, systems and processes and staff familiar with processing.

68. It is not proposed therefore to develop a new application process at this time. The existing application process will remain in place, however this position will remain under review in 2013/14 as the plans for the introduction of Universal Credit emerge.

### **Impact on technology**

69. As a result of the very limited time available for implementation of a local scheme by April 2013 the advantage of Southwark's preferred CTRS scheme is that it can be based on the current software system. Our supplier is already working on a range of expected changes to ensure the IT system is capable of delivering the scheme together with any changes to core entitlements in preparation for this date. A full testing programme will form part of the established end of year and annual billing processes.
70. There is significant risk attached to the implementation of an IT solution in time for April 2013, which is not helped by the fact that final regulations are yet to receive Royal Assent making it very difficult for IT providers to build the system architecture. The risk attached to this work stream is being monitored and mitigation put in place where possible. We will continue to work closely with our software provider; however delivery of a suitable solution is dependent on them.

### **Impact on revenues and benefits operations**

71. The changes referred to in this report constitute part of a wider range of government reforms relating to revenues and benefits policies and procedures. Whilst in principle the proposals outlined in the report minimise the impact of procedural changes given that assessment criteria are consistent with those currently applied in the operation. However, these will require close scrutiny and in particular the assistant director will wish to closely monitor any new pressures on administration arising from payment behaviours and any subsequent recovery action necessary.
72. Consideration will need to be given in the context of wider system changes and the movement of external resource from a capacity basis to a flexible resilience approach.
73. While the service will continue to seek ways in which it can streamline operations and reduce support costs services will need to be maintained at least at current levels. Given the nature and scale of changes in revenues and benefits systems great care will need to be taken in removing any costs within operations in the short term.

### **Impact on council tax collection and recovery**

74. Analysis is currently underway with a third party into the impact that CTRS is likely to have on the council tax collection fund. In particular, customers' propensity to pay will be analysed and will inform our recovery strategy going forward.

### **Adopting the scheme**

75. The determination of the level of local taxation is a matter reserved to council assembly in the constitution; the adoption of the CTRS reflects an amendment to the current level of CTB and the amounts payable by residents.
76. Officers are of the view that subject to the considerations discussed, the proposed CTRS scheme should be adopted. Cabinet is advised to agree the recommendations set out above.
77. The CTRS scheme will require entitlement to support to be shown as a discount on council tax bills from April 2013. Therefore in order to ensure that the scheme is factored into the tax base calculation for 2013/14 the local scheme will need to have been formally approved by the council no later than November 2012.
78. In addition, the timescales for implementation are extremely challenging and there are limits upon the scheme design choices available to the council at least in the short term. It will be important for the council to closely monitor the impact of its first scheme in order to ensure that it can be refined and improved over time. This review will be linked to further Equality Analysis, which is a commitment set out in our mitigating activities.

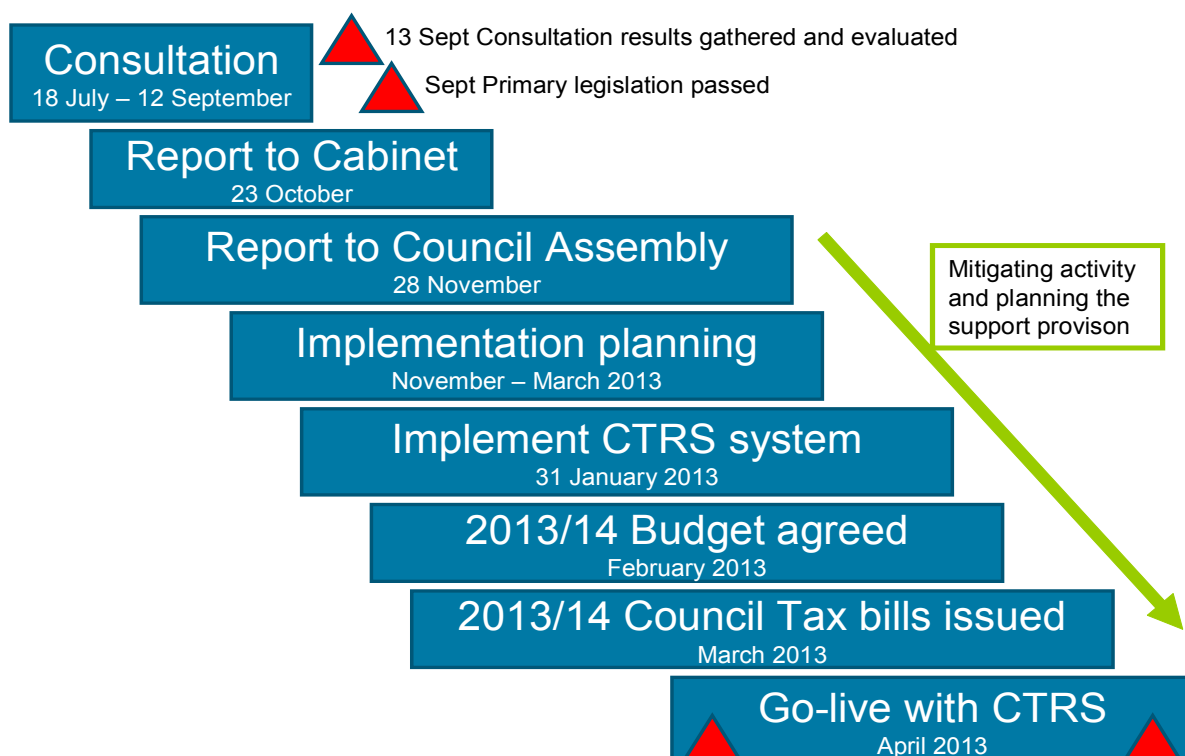
### Primary Timetable for Local scheme implementation

79. The timetable for implementation and associated activity to date is as follows:-

Figure 4.

Activity	Lead	Date
Develop scheme proposals	Revenues and benefits officers	May –June 2012
Model scheme impacts	Revenue and benefits officers	May- June 2012
Develop consultation approach	Revenues and benefit officers/legal and communications	June 2012
Prepare consultation material	Revenues and benefits officers	June/July 2012
Equality Assessment	Revenues and benefit officers	June – Sep 2012
Share CTRS scheme with GLA	Revenues and benefits officers	10 July 2012
Report to cabinet to agree proposed CTRS scheme and consultation approach	Strategic director of finance and corporate services	17 July 2012
Confirm decision with GLA	Revenues and benefits officers	18 July 2012
Consultation period	Revenues and benefits officers	18 July – 12 September 2012
Consultation results gathered and evaluated		September to 20 September 2012

Activity	Lead	Date
Primary Legislation passed	DCLG	September 2012
Report to cabinet for recommendation to council assembly	Strategic director of finance and corporate services	23 October 2012
Report to council assembly to adopt local scheme	Strategic director of finance and corporate services	28 November 2012
Plan implementation for CTRS scheme following decision and DCLG regulations	Revenues and benefit officers	November 2012- March 2013
2013/14 Council Tax base agreed	Council	January 2013
Implement CTRS system	Revenues and benefits officers	31 January 2013
2013/14 Budget agreed	Council	February 2013
Issue 2013/14 Council Tax Bills	Revenues and benefits	March 2013
Go Live with CTRS scheme	Revenues and benefits	April 2013



### Financial implications 2013/14

80. The current subsidy budget for council tax benefit is £27.8m, some 22 per cent of the total council tax yield. This includes the GLA element, Southwark's share being some £20.8m.
81. The government announced in the 2010 Spending Review that government resources to fund council tax benefit would be reduced by 10 per cent. The government is proposing to replace council tax benefit with grant funding. The council estimates that in consideration of our current benefit caseload and benefit trends the future grant should be £25.0m leaving a potential gap of £2.8m against the current £27.8m if the scheme continues without change.
82. The latest government projections however suggest that this grant will be £24.1m, (£18.0m Southwark and £6.1m GLA), leaving a potential larger funding gap of £3.7m against the current £27.8m if the scheme continues without change. Officers are currently unable to reconcile the government figures and in the absence of confirmed regulations it is unclear how the government has approached their calculations and projections. Officers will continue to keep this under review and will continue to press government for justification of their projections.
83. The government suggests it has based its proposed level of funding for 2013/14 on our projected level of spend and this is lower than our actual spend in 2011/12. The level of spend will be determined by the number of claims made for CTRS in payment, influenced by the number of pensioner and working age claimants, therefore there is an assumption within government that our caseload will decrease, this is not however representative of our caseload or caseload trends. If this assumption is proved wrong and there is a significant increase in claims from working age claimants the council will be required to meet this additional cost.
84. The options proposed will reduce the cost of the CTRS scheme by £2.7m, this leaves a potential funding gap of £1m against the governments indicative CTRS grant figures. Provisional 2013/14 figures will not be available until the 2013/14 Local Government Finance Report is announced, which will not be until after the chancellor announces his autumn statement on 5 December.
85. Any shortfall after Southwark's 2013/14 CTRS grant is announced will be shared in proportion to council tax with the GLA, Southwark's share being £750k.
86. The approach for the localised scheme provides for the deficit being fully funded through reduced benefits to working age claimants.
87. There is a risk that council tax arrears will increase as a result of this new scheme as less support will be available to residents on a low income which will affect their ability to pay the balance outstanding.
88. An initial tranche of £84k in New Burdens funding has been given to Southwark and the DCLG has indicated that additional funding may follow to assist with one-off implementation costs, transition costs and the recurring costs for the first three years in operation of the system. The initial grant will be used towards the

immediate costs associated with implementation of the new system, consultation, process re-design and any associated staff training.

89. The government intend that the local scheme should be applied by way of a discount, and this will reduce the council tax base. Current estimates show that the discount will be equivalent to approximately 20,600 band D equivalent properties. In an ideal situation, the value of council tax lost from the discount would equal the CTRS grant awarded by the government, however a significant factor in this methodology is that the reduced tax base would reduce the amount that could be raised through a one per cent increase in council tax by some £188k.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

90. Cabinet is aware that recommendations 3-7 are within the ambit of Cabinet to agree.
91. Cabinet is advised that decisions relating to the budget and the setting of local taxation are reserved to council assembly under Part 3A of the Council's Constitution. Therefore cabinet is enabled to agree to recommendations and refer to the next assembly meeting for approval.
92. In respect of Recommendations 3 and 4, cabinet is alerted to the fact that the recommendations to council assembly are predicated upon legislation that has not yet been passed through Parliament. The parliamentary timetable indicates that the Bill will be enshrined in legislation before the default date of 31 January 2013, and before the January Council Assembly date and possibly before the November 2012 Council Assembly. Cabinet is advised that it may agree the recommendation to council assembly in spite of the absence of the legislation; the decision as to whether to agree the proposals rests with council assembly under the constitutional framework.

### **Recommendation 3**

93. Cabinet is asked to note the legislative basis for the introduction of a policy relating to support for residents in paying their council tax. The Local Government Finance Bill is before Parliament and due to report on 10 October 2012 prior to a 3rd reading in the House of Lords. The Bill provides for the insertion of s.13A into the Local Government Finance Act 1992 which empowers local authorities to make reductions in the amount of council tax a person is liable to pay.
94. A written policy explaining the availability of this power and criteria for assistance will help the council minimise the risk of legal challenge by ensuring that decisions are made with reference to an agreed policy and in a transparent manner. Cabinet is therefore advised to agree the recommendation to council assembly that a policy is adopted under s.13A. of the 1992 Act

### **Recommendation 4**

95. Cabinet is advised that the legislative basis for the introduction of a support scheme derives from the abolition of the existing council tax benefit under s.33 of the Welfare Reform Act 2012. The Local Government Finance Bill ("the Bill") provides

for the establishment of a Council Tax Support scheme (CTRS) under the wider s.13A policy detailed above in Recommendation 3. Local authorities must put in place a scheme for council tax support by 31 January 2013. If a scheme is not in place, a default scheme will be imposed on the council.

96. Cabinet is advised that in considering whether to make the recommendation to adopt the proposed scheme of reduction; decision makers must consider the outcome of the consultation exercise and demonstrate they have taken on board the views expressed by stakeholders. If cabinet are not able to agree with particular views they must provide cogent reasons as to why in their decision.
97. Cabinet is further advised that decision makers must consider the outcomes of the Equality Impact Assessment in advance of decision making. In the event that cabinet is minded to agree the recommendation, it must provide evidence of consideration of the EqIA outcomes in its decision. Cabinet is reminded of the requirement to have due regard to the public sector equality duty set out in s.149 Equality Act 2010 in its deliberations and conclusion.
98. In advance of its deliberations on the recommendations, cabinet is reminded that the council has statutory duties in respect of mitigating the effects of child poverty in the area, under the Child Poverty Act 2010.
99. In advance of its deliberations on the recommendations, cabinet is reminded that the council has statutory duties to provide advice and assistance to persons who are or are at risk of homelessness under the Housing Act 1996.
100. Cabinet is also reminded that the Southwark's Children and Young Peoples Plan is in place from 2010-2013 and includes a priority to narrow the gap and ensure that children and young people in the borough have the same opportunities.
101. Cabinet is advised that it may agree to refer the linked proposal to remove the current second adult rebate from the proposed CTRS scheme, to council assembly. As with the advice relating to the recommendations above, cabinet is advised to consider the stakeholder response to the consultation on the entire scheme, the relevant equality implications as well as the statutory requirements of the council.

### **Strategic Director of Finance and Corporate Services**

102. The strategic director of finance and corporate services notes the recommendations to this report, and that the option proposed will reduce the amount of CTRS by £2.8m by applying an 85 per cent cap on benefit awards to all working age claimants.
103. It is also noted that officers will continue to seek clarification on the continued uncertainty regarding the precise nature of any gap between the indicative grant announced by the government and the cost of CTRS if the proposed option is approved.
104. The strategic director of finance and corporate services also notes that the figures based in this report are based on current workloads that may change before final decisions are made in November not least given the current pressures arising from the general economic climate.

105. The reduction in tax base resulting from the new CTRS discount, its effect on future council tax income and impact on additional resources that may be generated from increases will be monitored closely. Any further information will be incorporated in the council tax base report and be presented to council assembly in the new year.
106. The impact on administrative effort and associated costs of the new scheme will be reviewed continually.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

## APPENDICES -

Note: Appendices circulated separately to cabinet members and available on the web site

No.	Title
Appendix A	Southwark Council Tax Section 13A Policy - Discretionary Relief
Appendix B(i)	Consultation Plan
Appendix B(ii)	Consultation questions
Appendix C	Response from GLA
Appendix D(i)	Consultation response matrix
Appendix D(ii)	Schedule of all direct engagement activity
Appendix E	Analysis of preferred scheme (85% cap on CTB entitlement)
Appendix F	Round up of all current welfare reform-related activity
Appendix G	Equality Analysis
Appendix H	Southwark's Council Tax Reduction Scheme (CTRS) policy
Appendix I	Southwark Legal Advice Network – Consultation response

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Richard Livingstone, Finance, Resources and Community Safety	
<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance & Corporate Services	
<b>Report Author</b>	Dominic Cain, Assistant Director (Revenues & Benefits)	
<b>Version</b>	Final	
<b>Dated</b>	11 October 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>
Director of Legal Services	Yes	Yes
Strategic Director of Finance & Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	11 October 2012	

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 23 October 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		To approve an application to the Secretary of State for a compulsory purchase order (CPO) to purchase the remaining leasehold properties within the Elmington Estate Phase 3 sites C, D, E and G	
<b>Ward:</b>		Camberwell Green	
<b>Cabinet member:</b>		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

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

The council has made a decision to dispose of the 4 sites in Phase 3 of the development and select the developer in July this year to complete the final phase of the renewal programme for the Elmington Estate. The regeneration of these sites is a key strategic housing priority both in terms of the new high quality housing to be delivered, and the reduced long term impact on the Housing Investment Programme. The high investment need has meant that the council has had to make a decision to demolish these blocks and replace them with high quality housing, and invest some of the proceeds from the sale into the retained blocks on the Estate.

Compulsory Purchase Powers may have to be relied upon to achieve vacant possession of these sites for the scheme to progress. The council will seek to acquire all the leasehold interests by agreement but without a compulsory purchase order it is unlikely that all these interests can be acquired, as well as relocating tenants within the scheme.

Council officers have consulted with the residents (including the leaseholders and tenants) about the possibility of making Compulsory Purchase Orders and explained that the making of the Order(s) are necessary to achieve certainty of acquiring all the leasehold interests to enable the council to deliver new, high quality housing.

I would like to thank the residents of Elmington Estate who have participated in the consultation processes and look forward to the progression of the scheme.

**RECOMMENDATIONS**

That the cabinet agrees:

1. The council makes four or fewer Compulsory Purchase Orders (“Order[s]”) under section 226 (1) of the Town & Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 or in the alternative under section 17 of the Housing Act 1985 for the acquisition of the land and new rights within the areas edged on the plans at Appendix One for the purpose of securing the regeneration of the Elmington Estate in accordance with decisions taken by cabinet on the 22 March 2011.

2. The Director of Regeneration be authorised to:
  - a) determine the powers and implement the optimum number of Order[s] to deliver the overall regeneration aspiration;
  - b) take all necessary steps to secure the making, confirmation and implementation of the Order[s] including the publication and service of all notices and the presentation of the council's case at Public Inquiry should one be called;
  - c) acquire all interests in land within the Order[s] areas either by agreement or compulsorily;
  - d) approve agreements with land owners setting out the terms for the withdrawal of objections to the Order[s], including where appropriate seeking exclusion of from the Order[s];
  - e) amend the boundaries of the areas edged on the plans at Appendix One; or
  - f) amend the number of leasehold acquisitions in Appendix Two, should it be required.

### **BACKGROUND INFORMATION**

3. On the 22 March 2011, the cabinet approved that the council seek a developer and Housing Association to undertake the redevelopment of sites C, D, E and G within Phase 3 of the Elmington regeneration. The extent of Phase 3 regeneration on the Elmington Estate is shown edged on the plans at Appendix One to this report and includes the properties listed in Appendix Two.
4. Following a marketing exercise and short-listing of three consortia, cabinet approved the selection of Family Mosaic Housing Association and Bellway Homes on the 17 July 2012 as the preferred development partners and disposal of the council's freehold interest in sites C, D E and G.
5. There are a total of 144 flats in the blocks to be demolished of which 113 were tenanted and 31 were owned by leaseholders. The council has started acquiring leasehold interests by agreement but on the basis of compensation under compulsory purchase powers; however, in the event that acquisition by agreement does not successfully buy out all the interests, then the council will need to rely upon compulsory purchase powers.
6. Following a stock condition survey and option appraisal exercise of the blocks on the Elmington Estate, those blocks identified as being beyond the reasonable cost of repair and refurbishment were included within the sites to be re-developed within the regeneration scheme listed at Appendix Two. A number of blocks have already been completely refurbished on the Estate with a number of retained blocks also scheduled to be completely refurbished.

### **KEY ISSUES FOR CONSIDERATION**

7. Elmington phase 3 contains 144 dwellings; of these 30 are now held by leaseholders. Negotiations to acquire these leasehold interests by agreement have been taking place since August 2011 and have enabled a number of agreements to be made and acquisitions to be agreed. The council's aspiration to deliver the regeneration of this phase cannot be achieved without acquiring all the leasehold interests. Negotiation will continue with leaseholders but without a compulsory purchase order it is unlikely that all these interests can be acquired. The making of a compulsory purchase order is therefore recommended to

achieve certainty of acquiring all the leasehold interests within the envisaged timescale and to mitigate risk to the project.

### **Underlying information in resolving to make these compulsory purchase orders**

8. The compulsory purchase procedure is complex and has regard to a variety of factors. Details of relevant procedural and legal matters are set out at Appendix Three to this report.

### **Community impact statement**

9. When the council's Executive agreed a mixed regeneration scheme for Elmington Estate in October 2009, sites C, D E & G were designated for redevelopment with a number of surrounding blocks being retained and refurbished. It is envisaged that investment and renewal in the Elmington Estate will have a positive long term impact on all groups residing in those blocks being retained through the delivery of warm, dry and safe homes regardless of age, disability, faith/ religion, gender, race and ethnicity or sexual orientation.
10. The overall effect of the programme of works on the Elmington Estate is to promote equal treatment by ensuring tenants and leaseholders across all the retained 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.
11. For the redevelopment of sites C, D, E and G, the effect of the negotiated acquisition or compulsory purchase order will be to dispossess some persons of their rights in land. This is a necessary process to ensure that redevelopment and regeneration of the Elmington Estate Phase 3 can proceed. This is considered acceptable where the proposals are in the public interest and where, as in this case, the advantages of regeneration substantially outweigh the disadvantages to those dispossessed. The council is achieving a quantitative and qualitative housing gain which will include new, improved socially rented housing on the Estate.
12. All leaseholders that are dispossessed regardless of age, disability, faith/ religion, gender, race, and ethnicity or sexual orientation will be treated fairly and equally throughout negotiations, and where appropriate, they will offered financial and housing assistance as well as being advised of their legal rights in accordance with statutory principles and council policy.
13. The regeneration of the Elmington Estate is considered to have benefits to not only the immediate community but also the borough as a whole in that it will act as a catalyst to further investment. It is therefore necessary to balance the benefits that could be provided by the proposed scheme against the possible impact to those with an interest in the affected land. In carrying out this exercise a degree of proportionality should therefore be adopted. The Human Rights of these individuals have accordingly been considered and commented upon in Appendix Three to this report
14. The furtherance of the regeneration will not negate the council's Diversity and Equal Opportunities Policies. Indeed in the long term it is anticipated the diversity of the area will be widened.

15. An equalities information collection form has been issued to all remaining leaseholders on the Estate which will assist the council in understanding our service users and residents needs; identify possible discrimination, barriers to our services for different groups of people; and anticipate and avoid potential difficulties for some people and work to remove them.

#### **Schedule of leaseholder ownership/ status as at the date of the report**

	Total	Owner occupation	Investors	Unknown status
Leaseholders	31	11	16	4
Completed purchases	1		1	
Agreements made and solicitors' instructed	4	2	2	
Agreements expected in financial year 2012/13	8	2	6	
Remaining leaseholders	18	7	7	4

16. It is anticipated that the leaseholders of unknown status will be investors. The number of remaining leaseholders is 30 with 1 leasehold interest already been acquired.

#### **Consultation**

17. There has been extensive consultation with Elmington Estate residents (including tenants and leaseholders) at all stages of the regeneration process and the possibility of making compulsory purchase orders has been included within this consultation.

#### **Financial implications (inv/ii2616/030912/rjb)**

18. There is sufficient funding already budgeted and allocated to finance the acquisition of the remaining leasehold interests and any third party interests within the council's Housing Investment Programme. The budget also includes a sum for procedural and legal matters to enable the making, confirmation and implementation of the compulsory purchase order.
19. There will be staff resource costs in taking the Order[s] to completion, relocating tenants and providing financial and housing assistance to tenants and leaseholders where appropriate as well as acquiring the leasehold interests; there is also provision for them in the overall project programme. There are sufficient uncommitted resources in the programme to meet the proposed costs.

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

##### **Director of Legal Services**

20. As set out in Appendix Three to this report, it is intended that Counsel's advice should be taken to ascertain whether the preferred power under which the Compulsory Purchase Order(s) should be made is s226(1)(a) of the Town and Country Planning Act 1990 ("the 1990 Act") or s17 of the Housing Act 1985 ("the 1985 Act").
21. Appendix Three sets out in more detail the requirements of each of the powers.

22. If the 1990 Act is considered to be the appropriate power, cabinet should note from paragraph 32 of Appendix Three to this report that consideration must be given to the well being objectives under Section 226 (1)(a) of the 1990 Act in relation to the council's aspirations for the regeneration of the Elmington Estate. If it is considered that the regeneration of the area will assist the council in promoting and improving the economic, social and environmental well being of the Elmington Estate there are adequate powers available to the council to acquire all the land and property interests in the sites either compulsorily or by agreement.
23. In the alternative, the 1985 Act empowers the council, as a local housing authority, to acquire land, houses or other properties for the local provision of housing accommodation. This power is available even where the land is acquired for onward sale to another as long as the purchaser intends to develop it for housing purposes. The 1985 Act also empowers local authorities to acquire land compulsorily (subject to authorisation from the Secretary of State). Government guidance in ODPM circular 06/2004 requires a qualitative or quantitative housing gain and the council would have to demonstrate such gain when seeking Secretary of State Confirmation of any CPO.
24. Ancillary powers to create new rights are also provided under s13 of the Local Government (Miscellaneous Provisions) Act 1976. As noted at paragraph 44 of Appendix Three, the council also has power under Section 227 of the 1990 Act or Section 120(1) of the Local Government Act 1972 ("the 1972 Act") to acquire interests on the Elmington Estate sites C, D, E and G by agreement with the owners. Further, by virtue of Section 120(2) of the 1972 Act, any properties acquired under the 1972 Act that are not required immediately for the purposes for which they have been acquired, can be used in the interim for the purpose of any of the council's functions.
25. Part 3C of the council's constitution reserves to cabinet decisions on the acquisition of land and property where the market value exceeds £100,000 and the acquisition of land and property which involves the use of compulsory purchase powers.

### **Strategic Director of Housing & Community Services**

26. The leaseholder re-housing assistance package referred to in paragraph 12 of this report and paragraph 29 of Appendix Three to the report is administered by Home Ownership Services (HOS). Home Ownership Service officers are already in contact with a number of leaseholders and are administering a total of three re-housing assistance applications at the date of this report.
27. Preliminary research suggests that approximately half the 31 leasehold units on the estate are owner-occupied. With such a low-take up of the offer of re-housing assistance to date and such a (potentially) high proportion of investors, HOS agrees that the obtaining of a compulsory purchase order is a prudent and necessary step in achieving vacant possession.
28. Despite the recent changes to the Right to Buy discount regime, there have been no new Right to Buy applications from tenants of the affected blocks. The service of statutory demolition notices under powers conferred by the Housing Act 2004 has accordingly not been required to date. Statistics on tenant moves provided by Camberwell Resident Service Officers to date show positive movement and

the risk of having to serve statutory demolition notices to prevent further Right to Buy applications is deemed low

### **Strategic Director of Finance & Corporate Services (SDFCS) (NR/FCS/3/9/12)**

29. This report recommends that the cabinet agrees to the council making four or fewer Compulsory Purchase Orders for the purpose of securing the regeneration of the Elmington Estate in accordance with decisions taken by cabinet on the 22 March 2011 and that the director of regeneration be authorised to undertake various actions associated with the recommendation.
30. The strategic director notes the financial implications contained within the report. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

### **BACKGROUND PAPERS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Cabinet Report - selection of preferred bidder and disposal of the council's freehold interest in sites C, D, E and G at Elmington Estate, Camberwell, SE5.	Development & Disposals Team Chief Executive's Department, 5 <sup>th</sup> Floor, Hub 1, 160 Tooley Street, SE1 2QH	Marcus Mayne 020 7525 5651

### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix One	Location plans showing regeneration sites C, D, E and G within Elmington Estate Phase Three.
Appendix Two	Property schedule of blocks to be included in the regeneration of Elmington Estate Phase Three.
Appendix Three	Procedural and legal matters

**AUDIT TRAIL**

<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Marcus Mayne, Principal Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	11 October 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>
Director of Legal Services	Yes	Yes
Strategic Director of Finance & Corporate Services	Yes	Yes
Strategic Director of Housing & Community Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	11 October 2012	

# Draft pdf source

TITLE.

Site C - Elmington Estate, SE5.

APPENDIX 1  
CPO EXTENT



DRAWING No. LBS\_2656(Layout5)

DRAWN BY. MMANKTELOW  
Property Division

DATE. 5/9/2012

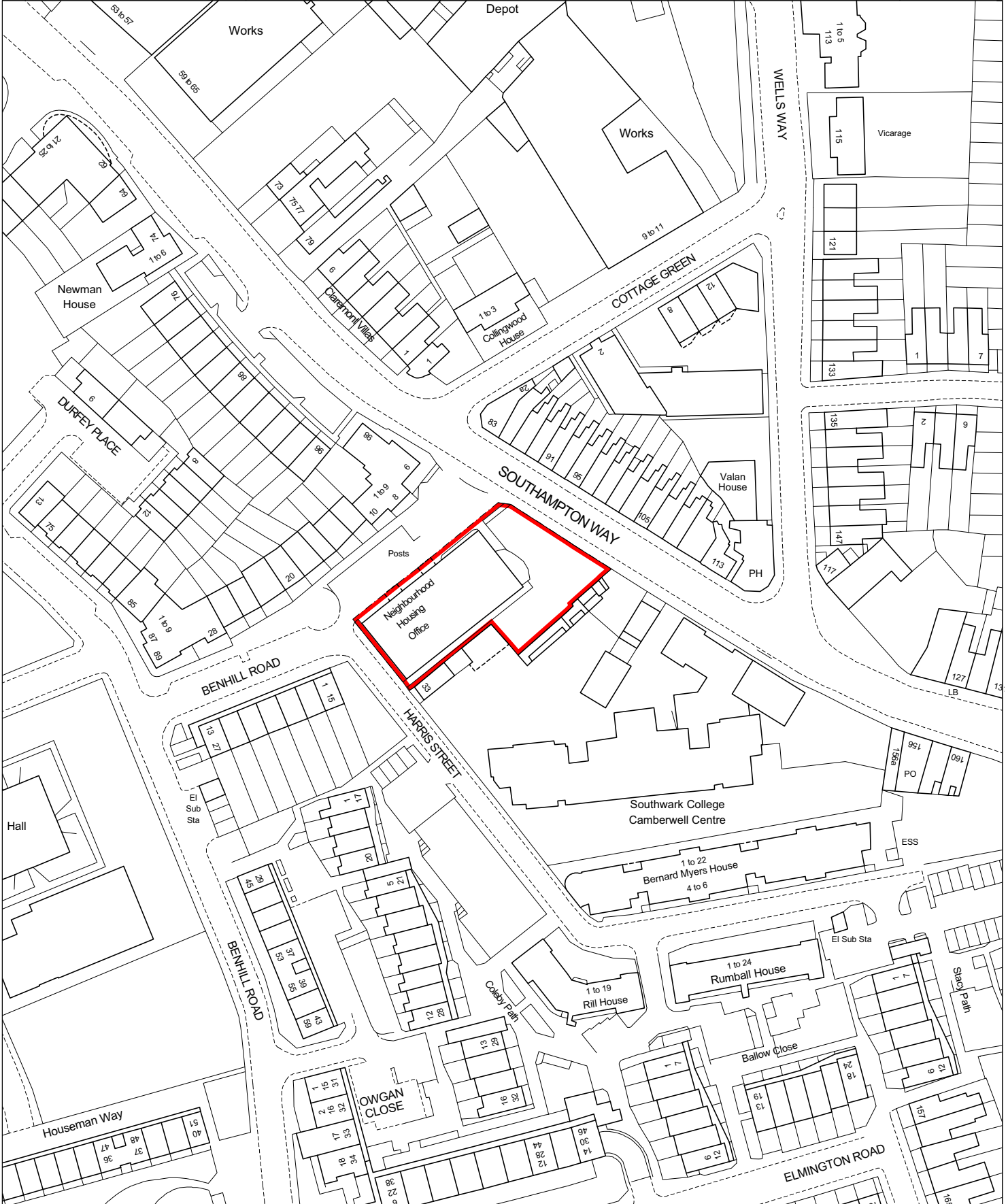
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TITLE.

Site D - Elmington Estate, SE5.

APPENDIX 1  
CPO EXTENT



DRAWING No. LBS\_2656(Layout6)

DRAWN BY. MMANKTELOW  
Property Division

DATE. 5/9/2012

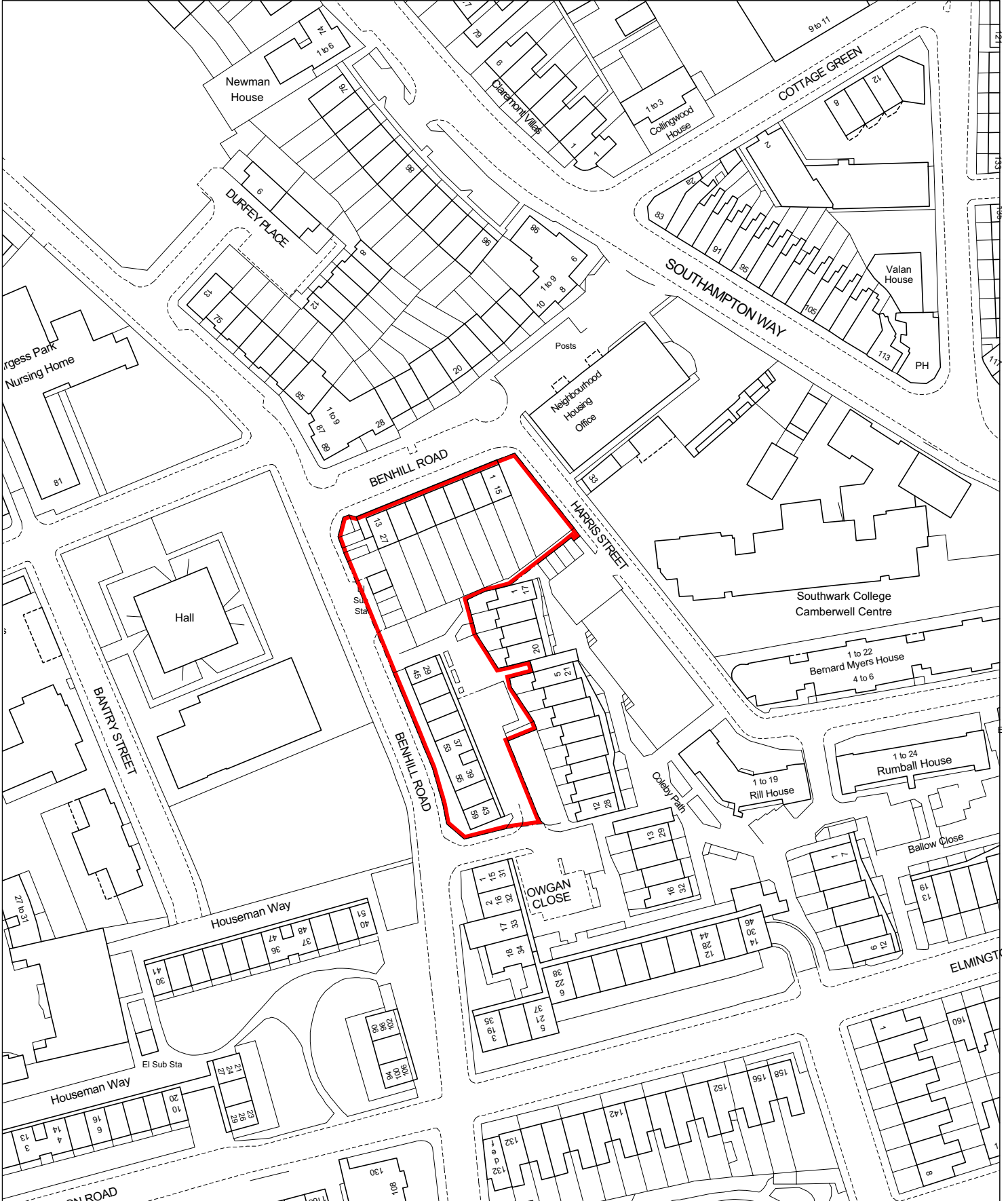
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TITLE.

Site E - Elmington Estate, SE5.

APPENDIX 1  
CPO EXTENT



DRAWING No. LBS\_2656(Layout7)

DRAWN BY. MMANKTELOW  
Property Division

DATE. 5/9/2012

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TITLE.

Site G - Elmington Estate, SE5.

APPENDIX 1  
CPO EXTENT



DRAWING No. LBS\_2656(Layout8)

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Property Division

DATE. 5/9/2012

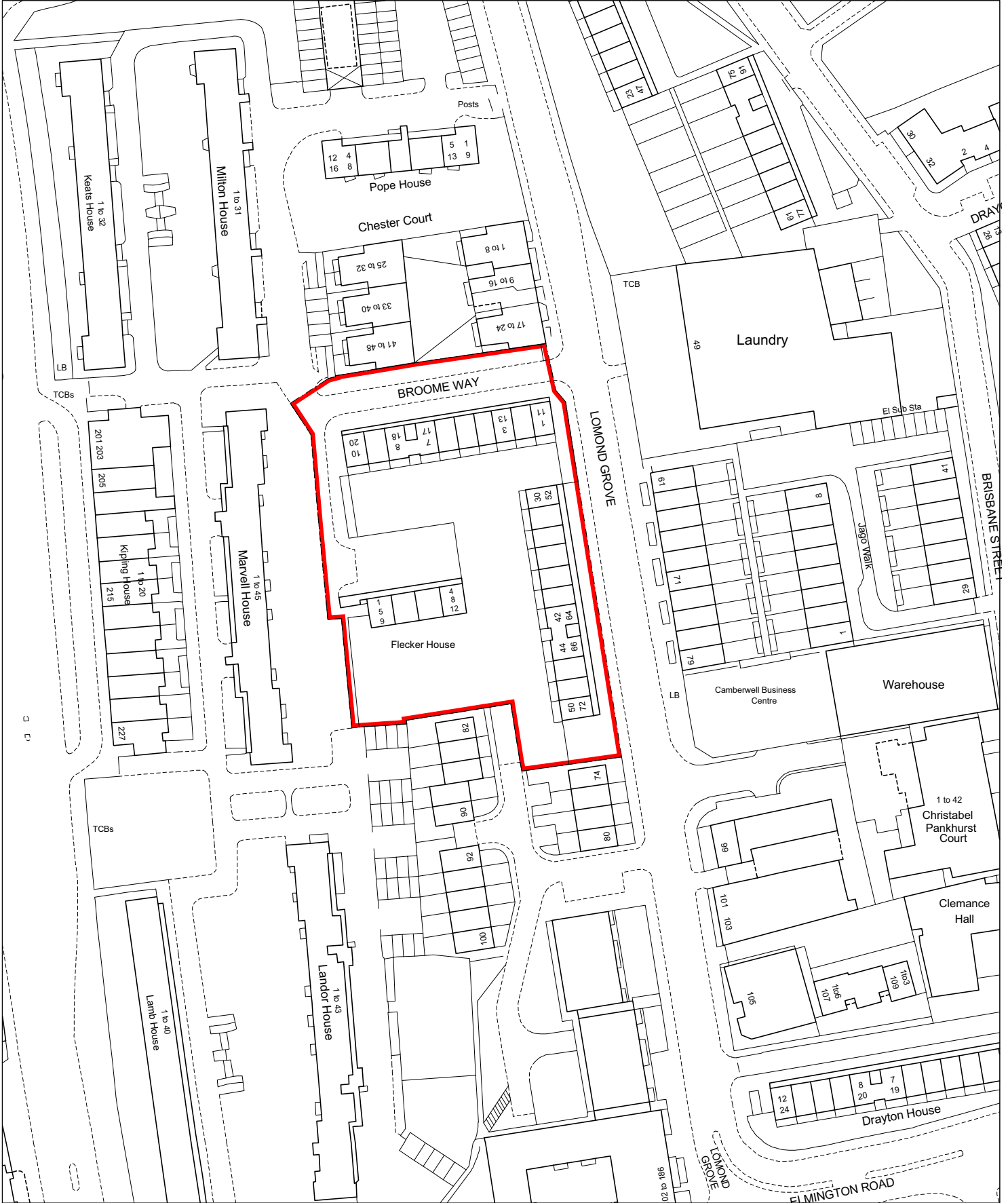
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**APPENDIX TWO****Elmington Estate Phase Three Compulsory Purchase Orders  
Property Schedule****Properties to be included in Orders' areas**

Site C	Address
	Harris Street Neighbourhood Housing Office

Site D	Address	Dwellings
	1- 27 Benhill Road	11
	29-59 Benhill Road	9
		20

Site E	Address	Dwellings
	1-20 Houseman Way	18
	21-29 Houseman Way	9
	30-51 Houseman Way	15
	90-106 Benhill Road	9
		51

Site G	Address	Dwellings
	30-72 Lomond Grove	13
	1-20 Broome Way	18
	1-12 Flecker House	11
		42

Sub - total dwellings 113
---------------------------

**Leaseholders in Orders' areas**

Site D	Address	Dwellings
	1- 27 Benhill Road	3
	29-59 Benhill Road	7
		10

Site E	Address	Dwellings
	1-20 Houseman Way	2
	21-29 Houseman Way	0
	30-51 Houseman Way	7
	90-106 Benhill Road	0
		9

Site G	Address	Dwellings
	30-72 Lomond Grove	8
	1-20 Broome Way	2
	1-12 Flecker House	1
		11

Sub-total dwellings 30
------------------------

Total dwellings 143
---------------------

## APPENDIX THREE

### Elmington Estate Phase Three Compulsory Purchase Orders Procedural and Legal matters

#### Acquisition of Leasehold Interests

1. The council holds the freehold interest of all the land within the areas shown **edged** on the Plans at Appendix One. These four parcels of land contain a number of blocks of flats and maisonettes.
2. The Housing Act 1985 gives qualifying council tenants the right to buy their homes. Thirty one tenants at these properties purchased their homes under these provisions.
3. The council can only repurchase these leases in the following circumstances:
  - Where there is agreement with the leaseholder; *or*
  - Following a confirmed compulsory purchase order.
4. The statutory compensation code provides that a leaseholder is entitled to the following compensation following a compulsory acquisition:
  - the market value of the leasehold interest acquired;
  - a home loss payment: this is 10% of the market value where the leaseholder resides at the property or 7½% of the market value where the leaseholder is non-resident; and
  - a disturbance payment to cover the leaseholder's reasonable costs arising as a direct and natural result of the compulsory acquisition, this might include removal costs, legal fees, surveyors fees and costs of adapting a new property.
5. Where an acquisition takes place by agreement ahead of the exercise of compulsory purchase powers, the leaseholder is treated in the same way and with the same entitlements as would be the case if there was a compulsory purchase order.

#### Third party and statutory utility rights

6. Utility companies have legal rights across the sites that enable them to provide their infrastructure to the Estate. To enable regeneration to proceed these legal rights will have to be acquired or extinguished. It is also possible that persons may have acquired unregistered rights over the sites such as a right of access and these rights, if any, will need to be dealt with in the same way as those of the utility companies.
7. Other leaseholders on the Estate benefit from rights over the subject areas; the council's standard form of lease provides for them having rights over the whole Estate including roads, paths and gardens. These rights will have to be included within the Order[s] for extinguishment.

## OUTLINE OF COMPULSORY PURCHASE PROCEDURE

### Resolution

8. The Cabinet passes a resolution to make the optimum number of Order(s). This is the purpose of this report.

### Referencing

9. The council assembles information that provides details of all owners, mortgagees, tenants, occupiers and those that may have acquired rights over each individual site. This is to identify what interests need to be acquired and who is entitled to receive a notification of the publication of the Order. This stage will enable the precise details of the Order areas to be determined. The boundaries shown **edged** on the plans at Appendix One may need subtle amendment in the light of this and it is recommended that the Director of Regeneration be given delegated authority to set the Order extents.

### Resolving planning and finance

10. In considering an Order the Minister needs to be confident that the proposals behind it are likely to come to fruition. In this connection s/he will need to be satisfied that there are no significant town planning or financial obstacles that will frustrate it. The regeneration proposed will be subject to obtaining planning permission and considerable pre-application discussion has already taken place between the council's Development Management, Property Development Team and selected development partners. Planning permission will need to have been achieved before the Order is confirmed. The agreement with the developer and housing association (council's development partners) will impose a timetable for submission of a planning application. As regard to finance for the regeneration, financial robustness was a material consideration of the developer selection process and when the development agreement with the Housing Association and Developer is in place, it should be possible to demonstrate that this consideration has been satisfied.

### Making the Order

11. The council makes the Order to a defined format. A schedule accompanies the Order identifying ownership details of all land within it. A Statement of Reasons must also be prepared to accompany the Order. This is a critical document that may be challenged by objectors and therefore needs to be carefully drafted. The need for regeneration of the areas **edged** on the plans together with the planning permission obtained by the council's property development team and the confirmation that funding is available to carry out the development will need to be demonstrated in the Statement of Reasons for the regeneration of Elmington Estate Phase Three.

### Publication of the Order

12. The council serves notice of making of the Order on all owners, mortgagees, tenants and occupiers affected by it. A notice of the making of the Order has to be published for two successive weeks in a local newspaper.

13. The notices will advise that objections to it can be made to the relevant Government Minister and specify an address for this purpose. The Order is then passed to the Government Minister for confirmation.

#### **Confirmation of the Order**

14. The Order does not become effective unless confirmed by the Minister. Where there are objections to the Order they must be considered before confirmation. This is usually done by way of a public inquiry but can sometimes be dealt with by written representations.
15. After considering the objections [if there has been a public inquiry there will be an Inspector's Report] the Minister may confirm, modify or reject the Order. If it is rejected that is the end of the process and the council will need to revisit its plans for regeneration of the Estate.
16. Following confirmation of the Order or if applicable, modification, a notice advising of this must be published in the local newspaper and all leaseholders, tenants and occupiers should also have a notice served on them. A confirmed Order should be implemented within three years to retain its validity.

#### **Taking Possession**

17. This can be achieved by either Notice to Treat/ Notice of Entry or by using General Vesting Declaration procedure. The latter is considered the most appropriate for the Elmington Estate Phase Three as it transfers both the right to possession and title of the land to the council.
18. Therefore we could be looking at around a year and a half to two years between making this resolution and obtaining possession; if there are complications it could be longer. It is assumed that there will be objections to the Order and that these will require protracted negotiations and/or a public inquiry to resolve. If a public inquiry is needed, this will be called for and arranged by the Minister so the council has little control over this process. Resource availability could cause this to be scheduled rather later than would be preferred and is a risk to be factored into project planning. If there are no objections or ones that are quickly able to be resolved, the period between publication and confirmation could be significantly reduced.

#### **Number of Orders**

19. Elmington Estate Phase Three is a large area and includes four distinct, separate sites: C, D, E and G. It is recognised that a single planning application could be submitted for the whole scheme or four separate applications with one single overarching S106 agreement. It is also possible that if separate applications are made there could be a combined one for sites C and D.
20. One Order is more administratively convenient; however, such an approach is inflexible because if there are objections it cannot become effective until all of them have been dealt with. If individual Orders are made for the sites this is more flexible since objections on one site will not prevent an Order for another site without objections being confirmed.

21. The optimum approach to this issue is likely to emerge after further engagement with the selected developer and housing association. It is therefore recommended that the Director of Regeneration be granted authority to review and amend the number of Orders after discussions with those parties.

### **Power to make a Compulsory Purchase Order**

22. It is anticipated that Counsel's advice will be sought as to the preferred power under which the Order(s) should be made. If Section 226 of the Town and Country Planning Act 1990 is recommended by Counsel as the enabling provision for the purpose of compulsorily acquiring all the interests required to progress the implementation of the regeneration of the sites, then the detailed application and use of this power is set out below at paragraphs 30-37.
23. If, however, it is recommended by Counsel that acquisition powers are used from the 1985 Housing Act then the matter will follow the application and use of this power also set out below at paragraphs 38-44.

## **POLICY IMPLICATIONS**

### **Corporate**

24. The regeneration of the Elmington Estate is a long standing council policy. The making of the proposed Order[s] will underpin this.
25. The Elmington Estate Phase Three is the final part of the council's Elmington Estate initiative that started in 2000 when the Tower blocks were demolished and Phase One of new council housing was developed. Phase Two has planning permission and it is likely that Notting Hill Housing Trust will start construction work on site later this year or early next year.

### **Planning**

26. The selected Housing Association and Developer for Phase Three have been through an extensive pre-application assessment prior to selection to establish that the proposals upon which their bid was based were planning compliant.

### **Housing Strategy**

27. The regeneration of the Elmington Estate is a key strategic housing priority both in terms of the new high quality housing to be delivered, and the reduced long term impact on the Housing Investment Programme. The successful delivery of Phase Three is the final part of the Elmington Estate regeneration programme.

### **Re-housing requirements**

28. The making of the Order[s] is in pursuance of a scheme that will give rise to the need to re-house secure tenants and some leaseholders. The planned timescale for the Elmington Phase Three re-housing takes into account the council's capacity within the overall social housing supply, including the replacement social housing that the scheme itself will provide. The re-housing process will be managed by use of a Housing Supply and Demand model which will enable the balancing of competing high priority demands for housing across the period. Re-housing in regeneration schemes is regulated by the council's lettings policy. The policy provides a choice for tenants between re-housing to

a new housing association property built as part of the scheme or to an existing property elsewhere in the borough. Initially, re-housing will be managed through choice based lettings, i.e. tenants bidding (with the highest priority and in date order of their priority) under the council's Homeseach scheme, until programme requirements necessitate the use of pro-active re-housing, including if necessary court proceedings.

### Property

29. The council has over the past year been endeavouring to acquire by agreement the leasehold interests to move the scheme forward. The passing of this resolution will show the seriousness of the council's intentions and may encourage some leaseholders to enter into meaningful negotiations. The Leaseholder Assistance Scheme (as specified in the Leaseholder's Toolkit that has been given to all leaseholders) provides help and increased options for leaseholders unable to make their own rehousing arrangements to enable them to move.

### Legal Implications

30. Section 226(1)(a) of the Town and Country Planning Act 1990 (the Act) (as amended by section 99 of the Planning and Compulsory Purchase Act 2004) is often the appropriate power to secure the compulsory acquisition of properties within the Regeneration scheme. Section 226(1)(a) enable authorities to exercise their compulsory purchase powers if they think that the land in question will:

*"Facilitate the carrying out of development, redevelopment, or improvement on, or in relation to, the land."*

31. The council, in exercising its power under this Section must have regard to section 226(1A) which states:

*"(1A) But a local authority must not exercise the power under paragraph (a) of subsection (1) unless they think that the development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objects-*

- (a) The promotion or improvement of the economic well being of their area;*
- (b) The promotion or improvement of the social well being of their area;*
- (c) The promotion or improvement of the environmental well-being of their area."*

32. It may be that the use of this section is the most appropriate having regard to the council's aspirations for Phase Three of the Elmington Estate regeneration. The interests to be acquired by the Order[s] are required in order to permit the redevelopment and regeneration of the area to take place. The proposal also satisfies the "well being" element of the Act in that the regeneration of Phase Three of the Elmington Estate is clearly required in order to provide a better standard of accommodation for residents compared to its current state and to create a sustainable and diverse community of mixed tenure homes. Thus the proposals will assist in promoting the social, economic and environmental well being of the area.

33. Appendix A of Circular 06/2004 ("Compulsory Purchase and the Criche Down Rules") ("the Circular") sets out the circumstances in which this power may be relied on by a local authority for the purposes of compulsorily acquiring land. It recognises that compulsory purchase powers under the Act provide a "positive tool" to local authorities in assisting them to acquire and assemble land where it is necessary to implement the proposals set out in the community strategies. It is now no longer the case that a planning permission is granted in order to justify the making of a compulsory purchase order under this section. Indeed paragraph 15 of Appendix A of the Circular states:

*"It is also recognised that it may not always be feasible or sensible to wait until the full details of the scheme have been worked up and planning permission obtained, before proceeding with the Order."*

34. Instead the Circular advocates progressing and justifying a compulsory purchase order against a clear strategic framework and that the acquiring authority is able to confirm there are no planning hurdles or other impediments to the implementation of the scheme.
35. For the purposes of confirming a compulsory purchase order, the guidance identifies considerations which will be taken into account by the Secretary of State in making such a decision, namely:
- (a) *The purpose for the land being acquired fits in with the adopted planning framework for the area or where not such up to date framework exists, with the core strategy and any relevant Area Action Plan in the process of preparation in full consultation with the community;*
  - (b) *The extent to which the proposed plan will contribute to the achievement of the promotion or improvement of the economic social or environmental well being of the area;*
  - (c) *The potential financial viability of the scheme for which the land is being acquired, a general indication of funding intentions and commitments from third parties should suffice; and*
  - (d) *The purpose for which the acquiring authority is proposing to acquire the land could be achieved by other means.*
36. Having regard to the guidance, the primary aims of the council in progressing the Order[s] (and ensuring their success if considered by the Secretary of State) should include the following:
- i. Secure an appropriate delivery partner
  - ii. Obtain any other Order which may be required as part of the development proposals. It may be that various stopping up orders will be required and the council should seek to progress these so far as it is possible.
37. If Counsel recommends pursuing compulsory acquisition of the property interests in Elmington Estate Phase Three through the use of powers under the Housing Act 1985 ("the 1985 Act"), then the following guidance must be complied with.

38. Section 17 of the 1985 Act empowers a local housing authority to compulsorily acquire land, houses or other properties for the provision of housing accommodation. The acquisition must achieve a quantitative or qualitative housing gain. This power is commonly used to improve sub-standard or defective properties. It is considered that the proposed regeneration of Elmington Estate Phase Three would satisfy both the quantitative and qualitative objectives set out in the Act and the guidance in the Circular. The number of dwellings across all four sites at present is 144; following the regeneration this will increase to approximately 226.
39. The design and construction of the new dwellings will be a major improvement on the existing dwellings. The existing blocks listed in Appendix 2 require substantial investment to the main components. The walls, roofs, windows and chimneys were deemed defective or sub-standard in a stock condition survey as two or more of the building components were considered too costly and difficult to repair or replace. Consequently, these blocks will not be retained due to the nature of construction.
40. The new dwellings will be built to modern standards. The proposal will include a broad range of tenure and dwelling types across all four sites. A number of family-sized units will be designed to meet housing need and the scheme where possible will exceed national, regional and local standards and include key environmental criteria such as code for sustainable homes level 4, advanced standards of energy efficiency, lifetime homes standards, improved residential accessibility and sustainable modes of transport.
41. Appendix E of the Circular states that when applying for confirmation of a compulsory purchase order made under the 1985 Act, the authority should include in its statement of reasons for making the Order information regarding needs for the provision of further housing accommodation in its area. This information should normally include the total number of dwellings in the district, unfit dwellings, other dwellings in need of renovation and vacant dwellings; the total number of households and the number for which, in the authority's view, provision needs to be made.
42. The local housing authority should also provide information about its proposals for the land or property it is seeking to acquire. Having selected a Developer and Housing Association which has already taken significant steps to design a scheme for the land, the council will be able to provide this information.
43. Section 17(4) of the 1985 Act provides that the Secretary of State may not confirm a compulsory purchase order unless he is satisfied that the land is likely to be required within 10 years. The Secretary of State would not normally regard compulsory purchase as justified where development will not be completed within 3 years of acquisition.
44. As is already set out in this report, officers will continue to seek to negotiate the acquisition of interests by agreement rather than relying solely on the compulsory acquisition powers available. Section 120 of the Local Government Act 1972 contains wide powers for a local authority to acquire land by agreement for any of their statutory functions or for '*the benefit, improvement or development of their area*'. Section 227 of the Town and Country Planning Act 1990 also enables a council to acquire land by agreement for facilitating the carrying out of development, redevelopment of improvement and for the social

economic and environmental well being of the area. It is considered therefore that there are adequate powers available to the council to secure outstanding interests in the land by Agreement.

45. Other rights may also be required in order to progress the aspirations of the council. For this reason, it is recommended that the council also acquire/ create new rights for the purposes of craneage and/ or oversailing. Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 is applicable in this regard and will enable the council to acquire/ create such new rights as may be necessary to facilitate the development taking place.
46. Demolition notices may need to be served on relevant dwellings within Phase Three of the Elmington Estate regeneration areas. This will ensure that no further tenants are able to exercise their right to buy which will minimise the council's exposure in terms of new interests being created in the site whilst the Order[s] are being prepared and progressed.
47. The initial stage of the compulsory purchase process will be to ensure that the council correctly identifies all necessary interests in the Order land that need to be incorporated within the schedule of the Order. As the council is the freeholder of the Order land much of this information should be readily available. Nonetheless it is advised that formal requisitions for information should be served on all known owners, mortgagees and occupiers of each property to be subject to the Order[s] pursuant to Section 5A of the Acquisition of Land Act 1981 (as amended). It is important that the council takes all reasonable steps to ensure that all interests are properly captured in the Order[s] and are properly notified, the requisition for information is a means of ensuring the council fulfils this.
48. In the event that the Order[s] is eventually confirmed, the next stage will be to vest all necessary title in the council. In these circumstances as has already been mentioned that the best means of doing so will be by way of the General vesting Declaration Procedure. This is something that can be carried out by the council's legal advisors as and when this stage is achieved.

### **Human Rights Considerations**

49. The Human Rights Act 1998 incorporated into domestic law the European Convention on Human Rights ("the Convention").
50. In proposing the Order[s] the council has duly considered the rights of property owners under the Convention, notably under the following Articles: *Article 1 of the First Protocol*. This protects the right of everyone to the peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international law.
51. The council has also considered the rights contained within Article 8 of the convention, which protects private and family life, home and correspondence. No public authority can interfere with these interests except if it is in accordance with the law and is necessary in the interest of national security, public safety or the economic well being of the country.
52. In relation to these Convention rights, the council has been conscious of the need to strike a balance between the rights of the individual and the interest of the public. In light of the significant public benefit that would arise from the

regeneration of the Elmington Estate Phase Three, it will be appropriate to make the Order[s], if the relevant leaseholder interests cannot be acquired by agreement. Objections can be made against the Order[s] that will then have to be considered by the Secretary of State before he decides whether or not to confirm the Order[s].

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 23 October 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 2 – Contract Award Approval Consolidated Facilities Management contract for 160 Tooley Street, SE1 2QH.	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

This report recommends the award of the consolidated facilities management contract for the council's offices at 160 Tooley Street to Interserve PLC for a period of 5 years, commencing on 1 February 2013. This contract will bring together eleven services that are currently managed through different contracts.

This contract will save £312,000 per year in the lump sum value of the contract, a 20% saving on current arrangements. Furthermore, it will ensure that all staff employed by our contractors to deliver these services will receive the London Living Wage as a minimum.

This has been a long procurement process, given the need to assess bids against both a standard specification and a variant specification. The variant specification considered the benefits of transferring a number of council employees working on facilities management functions to the new contractor. Market-testing of that variant specification has identified that it would not generate significant further savings and so the recommendation is based on the standard specification: only for those facilities management services currently delivered through contract arrangements.

### **RECOMMENDATIONS**

That cabinet

1. Approve the award of the Consolidated Facilities Management contract for 160 Tooley Street to Interserve Plc for a period of 5 years commencing 1 February 2013 with the provision to extend at the council's discretion for up to a further 2 years.
2. Note that this award is for the standard bid retaining the in-house elements of the council's Tooley Street Facilities Management service for the reasons set out in paragraphs 46 to 48.

### **BACKGROUND INFORMATION**

3. 160 Tooley Street is the council's main administrative centre accommodating 2,200 people in a modern and flexible working environment. The building has been fully occupied since mid 2009 and has been maintained to a good standard.

4. Facilities Management (FM) services to 160 Tooley Street are currently provided through a number of outsourced contractual arrangements and an in-house operational FM service.
5. Facilities Management is a fundamental business support service that is vital to service delivery and business continuity. It enables the council's adopted modern ways of working and supports the council's agility in the delivery of the wider office accommodation strategy.
6. In line with the agreed procurement strategy this contract has been developed to have the flexibility to incorporate further sites within the scope of the contracted services where best value and cost effectiveness can be demonstrated utilising economies of scale and minimising client management resource.
7. Additional sites will not be considered for incorporation until the council is in contract and has undertaken an early assessment of contractor performance through transition and TUPE transfer. If the level of performance and the value for money mechanisms demonstrate clear benefits to the council this process will be accelerated to maximise the efficiencies of both innovation and economies of scale.
8. The procurement plan set out in the Gateway 1 anticipated a contract start date of 24 October 2011. Delivery of this procurement has however been primarily delayed due to the complexity of developing a full suite of documentation and evaluation process that supported the requirements of a twin bid process and the transition from an input based to an output based specification ensuring that the council's requirements and the commitment to LLW were fully captured. Additionally as part of the requirements of the chosen framework the council has adopted a new form of contract to the council – NEC3 which is referenced in paragraph 70.
9. There were further delays to the programme post tender receipt due to an extended clarification process that was required to ensure a like for like evaluation as noted in paragraph 51.
10. Under this contract the service provider is required to deliver the following integrated services to 160 Tooley Street:
  - Planned preventative building maintenance, primarily routine and scheduled maintenance activity to building services and fabric
  - Reactive building repairs and maintenance, e.g. repairs to building failure such as broken glass, door furniture etc.
  - Compliance with statutory regulation to meet all statutory and regulatory requirements relating to the building's fabric, plant and equipment
  - Maintenance of building related equipment to maintain all such equipment in good working order
  - Provision of spares and consumables to include lighting tubes, plant lubricants, engineering parts etc.
  - Works projects i.e. refurbishment and alteration consisting of works required by the council to alter or improve the working environment
  - Cleaning including internal and external window cleaning with the provision of all equipment and consumables such as toilet and hand tissues

- Security providing a comprehensive security operation delivering a safe and secure environment for all building users
- Vending to provide a good quality service for hot and cold drinks and snacks
- Inter site mail between council and partner buildings meeting the council's current requirements
- Pest control to keep the building as pest free as possible through a proactive pest control service.

### Procurement project plan

11. Procurement project plan set out below;

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	15/12/2010
Approval of Gateway 1: Procurement Strategy Report	14/12/2010
Invitation to tender	25/04/2012
Closing date for return of tenders	15/06/2012
Completion of evaluation of tenders	03/09/2012
DCRB Review Gateway 2:	13/09/2012
CCRB Review Gateway 2:	20/09/2012
Approval of Gateway 2: Contract Award Report	23/10/2012
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	30/10/2012
Contract award	31/10/2012
Add to Contract Register	01/11/2102
TUPE Consultation/transition period start	01/11/2012
TUPE Consultation/transition period end	31/01/2013
Contract start	01/02/2013
Initial contract completion date	31/01/2018
Contract completion date – if extension(s) exercised in full	31/01/2020

### KEY ISSUES FOR CONSIDERATION

#### Description of procurement outcomes

12. Through a mature and forward thinking relationship this contract will bring a single supplier solution for all currently outsourced services allowing supply side innovation to bring consistent and continuously improving levels of FM service to 160 Tooley Street supported by the contractual requirement to agree an annual service improvement plan year on year.

13. It will provide a well defined service fully integrated with the council's in-house team to provide a seamless comprehensive and reliable FM service to the users of 160 Tooley Street.
14. The contract brings economies of scale driven through the contractor's own service delivery and its supply chain and the elimination of the multiple management layers inherent in the current multi service provider arrangements.
15. The reduction to one supplier from the current multiple contract arrangements will provide a significant reduction in administration, e.g. one invoice a month. It will bring detailed management information on the council's assets serviced by this contract and the performance of the service provider.
16. The contractor is required to deliver to set, minimum standards and above supported by focused Key Performance Indicators (KPI's) and a strong, contractual performance mechanism. The KPI schedule is attached at Appendix 1.
17. The price structure of this contract is such that approximately 90% of the overall cost is contained in a fixed price lump sum with a known degree of risk transfer to the contractor. The fixed price applies to all service elements with the exception of works projects. This gives the council a high degree of cost certainty over the life of the contract.
18. The contract has the flexibility to incorporate additional buildings where best value can be demonstrated reducing additional procurement activity, realising the benefits of economies of scale and minimising the council's management overhead.
19. This contract will provide the cornerstone of the strategy to bring together FM service arrangements for the operational estate, and to develop these arrangements with partners to deliver further efficiencies supporting the council's current and anticipated savings targets.
20. While many of the anticipated service improvements and efficiencies of the new contract may not be visible to staff and users of Tooley Street in their day to day occupation of the building there will be key differences to the new service. These will include:
  - A unified, 'one team' approach to all delivered FM services bringing consistency to the face of FM within the Tooley Street and other buildings which may be serviced by the contract
  - Standardised uniforms for all contractor staff complementing that of the in-house team
  - A strong customer focus approach with contractor and in-house services measured through customer satisfaction surveys
  - Shared and individual ownership of FM issues across both in-house and contractor staff bringing prompt, positive and early resolution to all day to day issues based on a proactive approach
  - Increased responsiveness to service requests and set reactive maintenance response times reducing downtime and increasing customer satisfaction
  - A focus on upskilling and cross training of contractor staff to support both front and back of house activity

- A single point of contact for all services based on site at all times supported by the contractor's service desk interfacing with the council's in-house FM service desk giving a consistent customer experience
- A single point of accountability for all contracted services with a strong and visible on site senior, contractor management presence.

### **Policy implications**

21. A key element of the corporate plan that the strategy supports is "transforming public services". This requires sound resource management of the council's property assets, how they are utilised and their effective operational and financial management. The effective and efficient procurement and delivery of FM services are integral to the sound management of the council's property assets.
22. The medium term resources strategy aligns financial priorities with the management of assets and the associated resources with which the council delivers its services. A modern FM service platform and an informed FM client function will significantly support the council's medium and long term objectives providing flexibility and opportunities for efficiency savings.
23. The theme of "valuing the environment" will be increasingly supported through the delivery of a new FM service delivery platform and effective strategic management of FM. Supported policies include "Southwark Cleaner Safer" and the "Sustainable Community Strategy".
24. Other key corporate objectives are indirectly supported through improving working environment, improving customer facilities and enabling more effective service delivery.

### **Tender process**

25. An external provider is being sought in order to deliver a contained and well-defined service to the building. This approach is targeted towards the delivery of further efficiencies, building upon the achievements of the modernisation and office accommodation programmes. It will enable the council to focus on its core business of the delivery of its services to the community of Southwark.
26. In line with the strategy in the Gateway 1 report agreed by cabinet on 14 December 2010 in order to ensure value for money two proposals were sought as part of this tender: a standard bid that sought tenders for all current outsourced services and a variant bid that additionally incorporated those services delivered in-house.
27. The standard bid will:
  - Replace all current arrangements which deliver a safe compliant building e.g. the current repairs and maintenance and Preventative Planned Maintenance (PPM) arrangements
  - Replace services currently provided through corporate contracts e.g. security, cleaning, vending etc
  - Consolidate the smaller specialist building services within the contract and provide for ad hoc arrangements should they be required e.g. internal and external fabric maintenance etc
  - Integrate operationally with the in-house service.

28. The variant bid would have:
  - Provided all the services of the standard bid
  - Provided the services currently delivered in-house which include internal post, portage, meeting room management, pool vehicles and the FM Service Desk.
29. Further to cabinet approval of the Gateway 1 and cabinet agreeing the revenue budget report on 7 February 2012 and its presentation to Council Assembly on 29 February 2012 a full contractual commitment to payment of London Living Wage (LLW) to all staff working for the council through this contract was incorporated in the tender documentation.
30. Due to the value of the contract being over the EU Services threshold of £173,934 the contract was subject to EU Procurement Regulation and an EU compliant process was followed through a Government Procurement Service (GPS) Framework Agreement.
31. The procurement route followed was to issue an Invitation to Further Competition (ITFC) on the GPS Facilities Management Framework Agreement (Reference No. RM708), a pre-tendered framework which has followed a full EU compliant procurement process. Approval to utilise the GPS framework agreement was given via a Gateway 1 report approved by cabinet on 14 December 2010.
32. The procurement protocol followed was to seek the Most Economically Advantageous Tender (MEAT). The assessment of the tender was based on Price (70%) and Quality (30%).
33. In line with the GPS protocol for utilising the framework agreement a capacity assessment was forwarded to all of the eight firms on the framework agreement on 23 April 2012 notifying them of the proposed contract with an overview of what the contract entails to enable the firms to confirm their interest in bidding for the contract.
34. On 25 April 2012 following confirmation from all bidders ITFC documents were issued to the eight firms on the framework:
  - Carillion Services
  - EC Harris Solutions
  - Europa Facilities Services
  - Interserve Facilities Management
  - ISS Facilities Management
  - Mitie
  - Norland Managed Services
  - Skanska Facilities Management
35. On 10 May 2012, a bidders' conference was held in 160 Tooley Street to ensure that potential bidders had a clear understanding of the council's requirements, the procurement process and an opportunity to ask questions. The bidders were also given a guided tour of 160 Tooley Street. All the eight firms were adequately represented at the conference.

36. The council made available to the bidders a Data Room for the review and examination of a full suite of Datapack documentation during the period 25 April 2012 to 15 June 2012.
37. All bidders were invited to arrange technical site visits to 160 Tooley Street between 14 May and 17 May 2012. This provided bidders the opportunity for a more detailed examination of the building's plant and equipment and the FM services currently in operation.
38. Of the eight firms forwarded ITFC documents, four firms withdrew from the procurement process early in the bid period confirming that they could not adequately resource the bid preparation in the context of their current commitments. A further firm withdrew in the latter stages of the bid period as following clarification they were unable to accept in full some of the terms and conditions of the contract.
39. Two tenders were received on the closing date of 15 June 2012. Both tenderers, as required, submitted standard and variant bids. The tenders were opened in 160 Tooley Street on 18 June 2012.
40. The remaining firm failed to submit a tender, subsequently confirming to the council that they could not adequately resource their bid preparation due to concurrent commitments.
41. Following the closing date the project Steering Group met and agreed that the receipt of two tenders provided adequate competition for the evaluation process to proceed.

### **Tender evaluation**

42. The Corporate Facilities Management (CFM) team in conjunction with representatives from Finance, Human Resources, Financial Governance, Legal and user representatives undertook the tender evaluation process which involved the assessment of tenderers' relevant experience, capability to undertake the service, financial standing, equal opportunity, health and safety and price.
43. To ensure that quality was given due consideration in light of its 30% weighting in the overall evaluation, 23 Service Delivery Plans (SDP's) covering all elements of service delivery were requested from each bidder. Each SDP was weighted to reflect the importance to the council of each element of service. Of the 23 SDP's numbers 21 and 22 related to the variant bid only and number 23 was for information only and not scored. The remaining 20 SDP's were scored against pre set criteria on a scale of 0 - 10. The SDP schedule with weightings is attached at Appendix 2.
44. To ensure that a good level of quality standard was achieved the council reserved the right to reject any tender where bidders' scores fell below a number of agreed quality thresholds that reflected both the individual importance of certain SDP's or the overall quality of the submissions.
45. The price assessment was broken down into three elements that reflect the elements of service that will be delivered through the contract:
  - Fixed Price Lump Sum (cost stream 1) – Anticipated to account for 90% of the overall contract cost. This fixed price encompasses all areas of hard and soft

services to meet the current levels of service to the specified standards. Cost stream 1 has a 90% price weighting

- Exclusions to Fixed Price Lump Sum (cost stream 2) – Anticipated to account for approximately 10% of the overall contract cost. Cost stream 2 includes defined exclusions to the fixed price such as the replacement of plant or equipment beyond economic repair and costs outside of the contractor's Financial Threshold Liability (FTL). Detail on the FTL is set out in paragraph 91. Cost stream 2 has a 10% price weighting, sub weighted as follows: schedule of rates 3%, rate card for hard services 2%, and unit costs for soft services 5%.
- Pass through costs (cost stream 3) – Costs passed to the council with no overhead or profit. These are items such as biomass fuel with an estimated annual value of £20k. These costs were not evaluated.

46. In light of the potential implications on directly employed council staff for any variant bid to be considered it had to meet an additional set of stringent quality and price criteria.
47. The two tenderers submitted both standard and variant bids as noted in paragraph 39. Following detailed evaluation by the panel it became clear that although both tenderers had submitted a satisfactory response to both standard and variant bids neither submission in relation to the variant bid met the council's additional, set of thresholds for consideration of the variant option. The project Steering Group met on 12 July 2012 and made the decision not to proceed with the variant bids.
48. Tenderers were subsequently notified on 13 July 2012 of the council's decision not to pursue further the possibility of accepting a variant bid and were advised to focus their attention solely on the standard bids.
49. From 2 July 2012 to 1 August 2012 in line with the timetable a series of council and bidder clarifications were issued and responses received. These clarifications covered both legal and service related issues.
50. The post tender clarification/presentation meetings were held on 20 July 2012. The panel comprised representatives from CFM, Corporate Procurement, and user representatives. The individual sessions consisted of a presentation by tenderers giving them the opportunity to bring their bids alive followed by a question and answer session. These meetings were used to verify the written submissions and were not marked as part of the overall evaluation.
51. Following the post tender clarification/presentation meetings it was clear that there were common areas of further clarification required with both bidders to enable the council to complete a like for like evaluation. These areas covered both quality and price. Following discussion and agreement with Legal and Procurement both bidders were invited on 20 August to review and resubmit their proposals for those areas that had been subject to clarification only. Bidders were not permitted to amend any other parts of their bid. Responses were received from both on 29 August 2012.
52. These revised proposals were reviewed by the evaluation panel and on the basis that no further clarification was to be sought from either bidder the evaluation of both quality and price was concluded.

53. As advised to the bidders at the bidders' conference and set out in the tender documentation the evaluation panel conducted a supervised 'consensus scoring process'. This exercise gave regard to any variance in score between the individual evaluators, together with relevant clarification outcomes with scores agreed by the evaluators for each of the evaluation criteria.
54. The final outcome is summarised in the table below and further detail of the evaluation process is contained in the closed version of this report.

	<b>Weighting %</b>	<b>Bidder B</b>	<b>Interserve</b>
<b>Total Quality</b>	30	15.24	16.74
<b>Total Price</b>	70	66.30	68.81
<b>Overall Total</b>	<b>100</b>	<b>81.54</b>	<b>85.55</b>

55. It can be confirmed that Interserve has the highest overall score providing the most economically advantageous tender to the council. Interserve is therefore recommended for award.
56. Interserve reached a score of satisfactory or above in all scored SDP's and have demonstrated in this process that they are capable of delivering the specified services to the council's required standards.
57. The 70%/30% price/quality weighting places a strong emphasis on price. While only two tenders were received, the closeness of the tenderers' prices following clarifications with a differential in the weighted scores of 2.51 marks gives confidence that the market has priced this contract economically with sufficient resources allocated to deliver to all elements of the specification.
58. Interserve have clearly set out the innovation and efficiencies that they will bring to the contract from day one as defined in their SDP's and pricing structure. Their proposals deliver a year 1 efficiency from the council's current level of expenditure. Additionally they have identified clear areas for innovation from year 1 onwards which will be incorporated in the contracts, contractual Service Improvement process.
59. Interserve have a strong and established local authority client base. Examples of major FM contracts currently in operation include Croydon and Ealing councils.
60. Interserve are the council's incumbent cleaning services contractor which as a high profile and substantial element of the services to be provided reduces the mobilisation risk.

#### **Plans for mobilisation of the contract**

61. The contract mobilisation period of 10 weeks will provide sufficient time for the contractor to prepare for the commencement of the contract on 1 February 2013. There is no primary TUPE involved in this contract.
62. Contract mobilisation through the transition period is a critical activity and outline contractor mobilisation plans were assessed as part of the tender evaluation. At the start of the mobilisation period the contractor will present a proposed final mobilisation plan, the council will then review and either accept or return for resubmission. The agreed plan will then be implemented by the contractor. The

council will appoint a mobilisation manager to ensure that all activities are co-ordinated to deliver successful implementation of the plan.

63. All contractual terms and conditions have been agreed as part of the tender process. This period will therefore focus on maintenance of service delivery through transition, secondary TUPE, contractor due diligence, agreement of final, detailed contractor proposals and integration of services.

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

64. This contract will be managed and monitored by CFM. CFM has recently undergone a restructure with the new structure implemented on 1 August 2012 setting contract management and monitoring as a central function within the service. The success of this contract is dependent upon best practice contract management principles which will be utilised to ensure compliance with the specification and contract.
65. Best practice arrangements and systems will be utilised for the management and monitoring of the contract in respect of:-
- Compliance with the specification and contract
  - The performance of the contractor/supplier
  - Cost/commercial
  - Customer relationship management
  - User satisfaction
  - Alignment of services to meet the needs of the organisation
  - Risk Management
66. The contractor's performance will be measured against the agreed KPI's as set out in the tender documentation. The KPI's will be reviewed as a minimum on an annual basis to ensure that they are appropriately weighted and reflect the council's current contract management focus.
67. A strong performance mechanism has been developed and formally incorporated within the contract. This mechanism is designed to ensure that the contractor consistently succeeds in delivering to the required minimum levels and above.
68. The payment mechanism for this contract is based on a monthly invoice being one twelfth of the lump sum (cost stream 1) price. Cost stream 1 is anticipated to account for 90% of the overall expenditure on this contract with the remaining 10% being cost stream 2 works approved at the discretion of the council, managed through a formal Task Order change control process for all additional cost and variation. Cost stream 3, pass through costs, currently account for approximately £20k per annum. Cost stream 2 and 3 costs will be assessed and agreed by the council and paid as part of the monthly invoice.
69. A key element of this contract is the annual service improvement plan which will capture on an annual basis performance over the preceding year and agreed targets for innovation and service improvement for the following year.
70. The adopted NEC3 contract suite is considered to be well suited to best practice contract management. It binds both client and contractor to active and

transparent management of the relationship and provides a structured and time bound process.

71. The contractor's adherence to LLW will be actively monitored over the course of the contract. As part of the LLW SDP contractors put forward proposals for monitoring mechanisms which were evaluated as part of the process.

#### Identified risks for the new contract

72. Risks relating to this contract and how they will be managed are shown below;

S/N	Risk	Mitigating Action
R1 High	Secondary TUPE issues are not managed by the successful contractor satisfactorily, potentially resulting in union, consultation and staff issues.	<ol style="list-style-type: none"> <li>1. Early tracking of contractor and existing suppliers HR engagement</li> <li>2. Robust communication strategy and plan in place</li> <li>3. Ensuring early union consultation and involvement</li> </ol>
R2 Medium	Less than satisfactory execution of the agreed contractor mobilisation plan through transition	<ol style="list-style-type: none"> <li>1. Early agreement of contractor mobilisation plan</li> <li>2. Dedicated CFM mobilisation resource</li> <li>3. Close liaison between contractor and operational CFM</li> </ol>
R3 Medium	Less than satisfactory performance to KPI's at any point in the contract period	<ol style="list-style-type: none"> <li>1. Effective contract management and monitoring</li> <li>2. Robust utilisation of the performance mechanism</li> </ol>
R4 Low	Contractor business failure	<ol style="list-style-type: none"> <li>1. Use of early warning mechanisms in NEC3 contract</li> <li>2. Contract monitoring</li> </ol>

S/N	Risk	Mitigating Action
R5 Low	Pressure on Cost stream 2 exceeding budget availability	<ol style="list-style-type: none"> <li>1. Best practice commercial management</li> <li>2. Effective forward planning</li> <li>3. Ongoing review and updating of Forward Maintenance Plan</li> </ol>
R6 Medium	Contractor H&S and or compliance failure	<ol style="list-style-type: none"> <li>1. Clearly defined H&amp;S management processes defined during mobilisation period</li> <li>2. Standard agenda item on all meetings</li> <li>3. Ongoing review of contractor documentation</li> <li>4. Prompt management action</li> <li>5. Utilisation of the performance mechanism</li> </ol>

### **Performance Bond/Parent company guarantee**

73. Both a Performance Bond and Parent Company Guarantee are to be requested. These are in addition to the various other provisions and remedies within the contract to protect the council.

### **Community impact statement**

74. This contract has a direct impact on 160 Tooley Street which houses 2,200 council staff and the council's elected members. The building provides facilities for staff and all elected members; hosts an increasing number of committee and other meetings; and will continue to host other events attracting a wide variety of visitors from Southwark and elsewhere.
75. This contract will provide a working environment that will ensure that none of the six strands of the council's equality agenda are negatively impacted. It will deliver all of the building related services that will enable 160 Tooley Street to continue to welcome staff and visitors to the council.

### **Economic considerations**

76. Interserve continue to make significant investment in the training and development of their staff. Their initiatives include;
- Skills for Life - in 2007 Interserve was one of the pioneer companies signing the government's Skills Pledge
  - Apprenticeships - Working in partnership with South Thames College, they became the first large organisation in the world successfully to deliver the Cleaning and Support Services qualification. Additionally they have gone on to develop Security and M&E apprenticeships
  - FM apprenticeship - Interserve became the first organisation to successfully deliver the new level 3 Facilities Management NVQ to 10 employees.
77. Interserve have a number of existing FM contracts in the locality and will continue to utilise the local labour pool particularly in the service areas of cleaning and security.

### **Social considerations**

78. This contract has been tendered on the basis that London Living Wage (LLW) will apply to all contractor staff that work on the contract both directly employed by the contractor and sub contracted to them.
79. A specific LLW service delivery plan was included in the quality evaluation and the contractor's commitment to LLW was confirmed through the clarification process both in terms of price and scope.
80. The contractor has confirmed its LLW monitoring and reporting arrangements.

### **Environmental considerations**

81. The contract will adhere to the council's sustainability policy and materials purchased where possible will be from sustainable sources.
82. The requirement is to use materials that contribute to the sustainable goals the contract is aiming to achieve. For example;
  - Use of preferred standards
  - Re-use of materials that can be recycled or reclaimed on site
  - Avoidance of environmentally damaging materials
  - Avoidance of materials that are potentially harmful to humans.
83. The successful contractor is required to have targets in place to minimise consumption of energy and emissions of pollutants and be able to demonstrate the effectiveness of these procedures.
84. Consolidation of services and the multi skilling of operatives will reduce the environmental impact of vehicular attendance in the Tooley Street area.

### **Market considerations**

85. The successful tenderer is a private organisation.
86. The successful tenderer has over 500 employees.
87. The successful tenderer has a national area of activity.

### **Staffing implications**

88. TUPE will apply on a secondary basis (affecting the staff of existing contractors and two original transferring council employees). The award of this contract has no TUPE implications for current council staff. The bidder's approach to secondary TUPE transfers was assessed as satisfactory in the quality evaluation.

### **Financial implications**

89. This contract is to be funded from the existing Tooley Street budget CH222. The proposed base cost of this contract can be contained within existing provision and will also contribute to achieving the business plan savings contained in the budget report to Council in February 2011.

90. The contract costs fall into three streams, the fixed price lump sum anticipated to account for 90% of the overall contract cost and two variable cost streams anticipated to account for 10% of the overall contract cost.
91. The fixed price lump sum includes all works up to a £1,000 financial threshold per work item at the contractor's risk. The fixed price lump sum is the contractor's inclusive price for all works and services up to the financial threshold liability (FTL) threshold. Costs for works over this threshold are met by the council. For any item over £1,000 the contractor will meet the cost up to £1,000 with the council meeting the balance over £1,000. The main variable cost stream includes this element along with other defined exclusions to the fixed lump sum price.
92. The third cost stream consists of costs for pass through items which will be passed on to the council with no overhead or profit. These are relatively small items with a current annual value of £20k such as biomass fuel. These were not scored in the evaluation because they were deemed, as pass through costs to be the same in each bid so would not produce differentiated results.
93. The contract is subject to an annual price review which is linked to the RPIX index with the indexation mechanism set out in the contract. Therefore the fixed price lump sum will increase on the anniversary of contract start date each contract year in line with the agreed index. The day rates and schedule of rates in the variable cost streams will also increase annually in line with the agreed index.
94. The price sought as part of this tender was a year 1 annual cost for the fixed lump sum and comparative prices against our current levels of expenditure for the variable cost stream 2 with cost stream 3 prices for information only. The recommended bidders pricing for year 1 is shown in the table below.

		<b>Current budget costs £m</b>	<b>Interserve £m</b>	<b>Variance £m</b>
<b>Cost Stream 1</b>	Fixed lump sum	1.511	1.199	(0.312)
<b>Cost Stream 2</b>	Variable budget estimate	0.388	0.210	(0.178)
<b>Cost Stream 3</b>	Variable pass through costs	0.020	0.020	0
<b>Total</b>		<b>1.919</b>	<b>1.429</b>	<b>(0.490)</b>

95. The year 1 efficiency of the lowest tendered price in comparison to budget for the fixed lump sum was anticipated and forms part of the 2013/14 CFM savings target of £718k included in the Finance and Corporate Services three year budget savings proposals.
96. The variance in the variable cost stream indicates that there are likely to be value for money savings over the life of the contract but as this element is variable and dependent on need their value will be tracked through the contract management and reporting mechanisms. There is the potential to offer increased savings over the contract term through the annual service improvement reviews supporting future budget savings targets.

### **Legal implications**

97. Please see comments from the Director of Legal Services, paragraphs 107 to 109.

### **Consultation**

98. Consultation on the development and delivery of this procurement has been undertaken with internal corporate functions including Human Resources, legal, procurement, finance, corporate strategy; sustainability, economic development and Information Services Division.
99. Advice has been sought from external parties including GPS (in relation to the FM framework and its use). In addition to technical advice being provided from within the council, expert specialist advice has also been utilised to support this procurement where it is required.
100. Consultation has been undertaken with other key stakeholders including staff, suppliers and trade unions.

### **Other implications or issues**

101. This procurement has taken into consideration the impact on other projects/programmes, and services including: the office accommodation strategy and further modernisation activity with particular reference to the ability to extend the service provision at 160 Tooley Street through the use of this contract to other identified key buildings.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

102. This report is seeking approval to award a departmental contract for facilities management services at Tooley Street. The scope of works to be covered by the contract is described in paragraph 10.
103. The report confirms that the previously approved procurement strategy has been followed with a further competition process being conducted through the GPS framework.
104. Paragraphs 25 – 41 describe the tender process giving details of results at each stage. Only two out of eight bidders submitted proposals. Officers followed this up and the report confirms the reasons for non submission. The steering group set up to oversee the procurement project did consider the implications of receiving only two bids and decided to continue with the process.
105. Paragraphs 42 – 61 cover the approach to evaluation. Bidders were required to submit two proposals. The report confirms that during evaluation the evaluation panel confirmed that neither bidder's proposal for the totally outsourced solution had met the additional criteria set. At this point the bidders were informed and the remainder of the evaluation focussed on the partially outsourced solution. The process was designed to accommodate clarifications from the council in relation to the bids. There were also opportunities for the panel to verify the submissions through meetings and site visits etc. This extensive evaluation

hopefully will help ensure that the recommended provider is able to meet the council's requirements across all services. The table in paragraph 54 shows that the recommended provider scored highest in both quality and price.

106. Paragraph 20 highlights some benefits that will be provided through the new contract. Paragraphs 64 – 71 describe how the contract will be managed and monitored. There will be robust performance monitoring arrangements and clear governance in place to support the delivery of these services. Paragraph 69 describes an annual service review that will enable development of the service throughout the life of the contract.

### **Director of Legal Services**

107. This report seeks the cabinet's approval to the award of the Consolidated Facilities Management contract for 160 Tooley Street to Interserve Plc as fully detailed in paragraph 1. At this value the award decision relates to a Strategic Procurement and so is reserved to the cabinet.
108. As noted in paragraph 30, the nature and value of this contract is such that it is subject to the full tendering requirements of the EU procurement regulations. The chosen route, of procurement through the GPS Facilities Management Framework fully meets the EU tendering requirements, and this procurement also met the council's tendering requirements set out in Contract Standing Orders (CSO). Tenders have been evaluated in accordance with the stated evaluation methodology, and Interserve is recommended for award on the basis of having submitted the most economically advantageous tender.
109. CSO 2.3 requires that a contract may only be awarded if the expenditure involved has been approved. Paragraph 89 confirms how this contract is to be funded.

### **Strategic Director of Finance and Corporate Services (NR/FCS/26/9/12)**

110. This gateway report recommends that the cabinet approves the award of the Consolidated Facilities Management contract for 160 Tooley Street to Interserve Plc for a period of 5 years commencing 1 February 2013 with the provision to extend at the council's discretion for up to a further 2 years and notes that this award is for the standard bid retaining the in-house elements of the council's Tooley Street Facilities Management service.
111. The strategic director notes the financial implications contained within the report, the efforts made to obtain the most economically advantageous tender for the Council and the contribution to achieving the business plan savings contained in the budget report to Council in February 2011. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

**BACKGROUND DOCUMENTS**

<b>Background documents</b>	<b>Held At</b>	<b>Contact</b>
Gateway 1 – Procurement strategy approval for Consolidated Facilities Management contract for 160 Tooley Street	Finance and Corporate Services Department / Corporate Facilities Management, 160 Tooley Street, London SE1 2QH	Matthew Hunt 020 7525 5674

**APPENDICES**

<b>No</b>	<b>Title</b>
Appendix 1	Key Performance Indicators Schedule
Appendix 2	Service Delivery Plan Schedule

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Finance, Resources and Community Safety	
<b>Lead Officer</b>	Matthew Hunt, Head of Facilities Management	
<b>Report Author</b>	Matthew Hunt, Head of Facilities Management	
<b>Version</b>	Final	
<b>Dated</b>	11 October 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 Finance and Corporate Services	Yes
	Director of Legal Services	Yes
	Head of Procurement	Yes
	Head of Home Ownership	No
	<b>Contract Review Boards</b>	
	Departmental Contract Review Board	Yes
	Corporate Contract Review Board	Yes
	<b>Cabinet Member</b>	Yes
	<b>Date final report sent to Constitutional Team</b>	11 October 2012

## APPENDIX 1

## KEY PERFORMANCE INDICATORS

Section	Service	KPI	Target Performance Percentage
Management and Customer Service	Health and Safety	The <i>Contractor</i> shall undertake all Statutory / Mandatory inspections to the agreed programme with records updated within <b>5 business days</b> of completion	100
		The <i>Contractor</i> shall respond and issue a formal action plan to the <i>Service Manager</i> within <b>1 business day</b> to any instances of Health and Safety regulation contravention	100
	Customer Relationship Management	The <i>Contractor</i> shall monitor and measure customer satisfaction levels and provide action plans to address any dissatisfaction identified within agreed timescales	95
		The <i>Contractor</i> shall respond to all complaints with a formal action plan within <b>5 business days</b> of receiving the complaint	95
	Contractor Reporting and Meeting Attendance	The <i>Contractor</i> shall provide an appropriate level of seniority at meetings and provide periodic reports (to the agreed format and standard specified) including ad hoc reports, as defined within the Contract including but not limited to Schedule J	95
	Hard FM Service Delivery	Planned Preventative Maintenance	The <i>Contractor</i> shall complete all PPM activities within <b>5 business days</b> of scheduled date as per agreed plan including the recording, updating and issue of associated service records, certification, CAFM and/or asset management systems and hard copy files as required to comply with current and future statutory, mandatory and best practice requirements
The <i>Contractor</i> shall inform the <i>Service Manager</i> within <b>1 business day</b> of any item of plant or equipment requiring remedial works following a PPM visit			95

	<b>Reactive Maintenance</b>	The <i>Contractor</i> shall complete all Category A (Emergency), Category B (Urgent) & Category C (Routine) works requests within the agreed response times as set out in the Specification including the issue of associated service record sheets, certification and/or other documentation as required to comply with current and future statutory, mandatory and best practice requirements	95
	<b>Quality Assurance</b>	The <i>Contractor</i> shall effect all reactive and planned maintenance activities to agreed quality standards	95
	<b>Documentation response times</b>	The Contractor shall respond and issue to all requests for works quotations and supporting documentation to the <i>Service Manager</i> within the agreed response times	95

<b>Soft FM Service Delivery</b>	<b>Cleaning</b>	The <i>Contractor</i> shall ensure that all areas under the Contract meet specified cleaning standards at the start of every business day and that a constant supply of consumables is available throughout the building daily	95
	<b>Pest Control</b>	The <i>Contractor</i> shall attend to all reactive and planned pest control service requests within the agreed timescales	95
	<b>Internal Waste Management</b>	The <i>Contractor</i> shall collect and dispose of Internal waste to agreed timescales as per the Contractor's Plan and the <i>Contractor</i> shall ensure there is no excessive build up of waste in the bin store, notifying the service desk when such occasions occur, within the agreed timescale	95
	<b>Security</b>	The <i>Contractor</i> shall ensure that the site is secured and open for business in line with the Specification and the Contractor's Plan, the issue and collection of all Contractor passes are reconciled daily, all security incidents are recorded and CCTV is monitored 24 hours per day, with records kept as per Council policy	95
	<b>Mail Service</b>	The <i>Contractor</i> shall collect, frank, dispatch and deliver the intersite, members' drop and where applicable internal mail to the correct location within the agreed timescales	95
	<b>Vending</b>	The <i>Contractor</i> shall ensure all vending machines are operational and stocked with a choice to complement the onsite café throughout the business day	95
	<b>Reactive Request Response Times</b>	The <i>Contractor</i> shall meet all reactive soft FM requests within the Category A (Emergency) response time	95

**APPENDIX 2****Service Delivery Plan Schedule**

<b>Item</b>	<b>Evaluation Criteria</b>	<b>Weighting</b>
	<b>Management &amp; Administration</b>	<b>54</b>
SDP 1	General Management <ul style="list-style-type: none"> <li>Management Arrangements/Service Management and Delivery</li> <li>Communication with the Council</li> <li>Sub-Contractors</li> </ul> Scenario Question S1 will be used to assist in the evaluation of this Service Delivery Plan.	6
SDP 2	Contract Management and Customer Interface Scenario Question S2 will be used to assist in the evaluation of this Service Delivery Plan.	6
SDP 3	Health and Safety and Working Practices	3
SDP 4	Council Interface and Integration	4
SDP 5	Innovation, Continuous Improvement and Annual Service Improvement Plan	6
SDP 6	Employee welfare	12
SDP 7	London Living Wage Productivity Gains and Other Benefits	8
SDP 8	Transfer of Staff	4
SDP 9	Additional Buildings	2
SDP 10	Mobilisation Plan	3
	<b>Hard Facilities Management Services</b>	<b>19</b>
SDP 11	Planned Preventative Maintenance – Building Fabric	5
SDP 12	Planned Preventative Maintenance – M & E	6
SDP 13	Reactive Maintenance Scenario Questions S3, S4 and S5 will be used to assist in evaluation of this Service Delivery Plan.	4
SDP 14	Works and Unscheduled Activities	4
	<b>Soft Facilities Management Services</b>	<b>27</b>
SDP15	Building Cleaning Scenario Questions S6, S7, S8 and S9 will be used to assist in the evaluation of this Service Delivery Plan.	5
SDP 16	Pest Control and Internal Waste Management	2
SDP 17	Security Services Scenario Questions S10 and S11 will be used to assist in evaluation of this Service Delivery Plan.	5
SDP 18	Vending Service	3
SDP 19	Inter Site Mail Service	2
SDP 20	Reception	3
SDP 21	Service Desk – variant only - automatic satisfactory score inserted	4
SDP 22	Other FM Services – variant only - automatic satisfactory score inserted	3
SDP 23	Incentivising Good Performance – for information only	Not Scored

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