

## Cabinet

Wednesday 26 June 2013

4.00 pm

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

### Membership

Councillor Peter John  
Councillor Ian Wingfield  
Councillor Fiona Colley  
Councillor Dora Dixon-Fyle  
Councillor Barrie Hargrove  
Councillor Richard Livingstone  
Councillor Catherine McDonald  
Councillor Victoria Mills  
Councillor Veronica Ward

### Portfolio

Leader of the Council  
Deputy Leader and Housing Management  
Regeneration and Corporate Strategy  
Children's Services  
Transport, Environment and Recycling  
Finance, Resources and Community Safety  
Health, Adult Social Care and Equalities  
Communities and Economic Wellbeing  
Culture, Leisure, Sport and Volunteering

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#### Contact

Paula Thornton 020 7525 4395 or Everton Roberts 020 7525 7221  
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Webpage: <http://www.southwark.gov.uk>

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Members of the committee are summoned to attend this meeting

**Councillor Peter John**  
Leader of the Council  
Date: 18 June 2013



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# Cabinet

Wednesday 26 June 2013

4.00 pm

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

## Order of Business

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|           | <b>PART A - OPEN BUSINESS</b>   |          |
|           | <b>MOBILE PHONES</b>  |          |
|           | Mobile phones should be turned off or put on silent during the course of the meeting.   |          |
| <b>1.</b> | <b>APOLOGIES</b>  |          |
|           | To receive any apologies for absence.   |          |
| <b>2.</b> | <b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>   |          |
|           | In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.                                  |          |
| <b>3.</b> | <b>NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED</b>  | 1 - 3    |
|           | To note the items specified which will be considered in a closed meeting.   |          |
| <b>4.</b> | <b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>  |          |
|           | Members to declare any interests and dispensation in respect of any item of business to be considered at this meeting.                                  |          |
| <b>5.</b> | <b>PUBLIC QUESTION TIME (15 MINUTES)</b>  |          |
|           | To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules. |          |

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| 6.       | <b>MINUTES</b>  | 4 - 12   |
|          | To approve as a correct record the minutes of the open section of the meeting held on 14 May 2013.  |          |
| 7.       | <b>DEPUTATION REQUESTS</b>  |          |
|          | To consider any deputation requests.  |          |
| 8.       | <b>CALL-IN: GATEWAY TO PECKHAM - PUBLIC SQUARE AND STATION REGENERATION - RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY COMMITTEE</b>  | 13 - 15  |
|          | To consider recommendations from the overview and scrutiny committee.   |          |
| 9.       | <b>GATEWAY TO PECKHAM - PUBLIC SQUARE AND STATION REGENERATION - OFFICER RESPONSE TO OVERVIEW AND SCRUTINY RECOMMENDATIONS</b>  | 16 - 19  |
|          | To consider a report in response to the recommendations of the overview and scrutiny committee.   |          |
| 10.      | <b>POLICY AND RESOURCES STRATEGY 2014/15: REVENUE BUDGET - INITIAL FINANCIAL REMIT</b>  | 20 - 34  |
|          | To note the provisional funding settlement for 2014/15 as announced by Government in December 2012 and other issues relating to the policy and resources strategy.  |          |
| 11.      | <b>FAIRER FUTURE ANNUAL PERFORMANCE REPORT 2012/13</b>  | 35 - 40  |
|          | To note the progress against the ten fairer future promises and portfolio performance objectives in the council plan. To agree to recommend to council assembly the council plan's cabinet member portfolio objectives and targets for 2013/14. |          |
| 12.      | <b>RESPONSE TO SCRUTINY REPORT INTO ACCESS TO MATERNAL HEALTH AND EARLY YEARS SERVICES FOR THE GYPSY AND TRAVELLER COMMUNITIES</b>  | 41 - 49  |
|          | To note and agree the response to the recommendations of both the overview and scrutiny committee and health, adult social care, communities and citizenship sub-committee on services for the gypsy and traveller communities.                 |          |

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| 13.      | <b>RESPONSE TO THE OVERVIEW AND SCRUTINY COMMITTEE - HOUSING, ENVIRONMENT, TRANSPORT AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE REVIEW OF TENANTS AND RESIDENTS ASSOCIATION HALLS AND COMMUNAL ROOMS</b>  | 50 - 66   |
|          | To note and agree the response to the housing, environment, transport and community safety scrutiny sub-committee's investigation into tenants and residents association halls and communal rooms and to note the additional activity being undertaken to improve the service. |           |
| 14.      | <b>MAJOR WORKS STATUS REPORT INCORPORATING WARM, DRY AND SAFE</b>  | 67 - 122  |
|          | To note the status of the housing investment programme with particular reference to the warm, dry and safe programme and to note that this programme will be fully committed by the end of 2015/16.  |           |
| 15.      | <b>GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - LIFT MAINTENANCE CONTRACT</b>  | 123 - 145 |
|          | To approve the revised procurement strategy for the lift maintenance contract.   |           |
| 16.      | <b>GATEWAY 2: CONTRACT AWARD APPROVAL - LONG-TERM REPAIRS AND MAINTENANCE CONTRACT</b>   | 146 - 158 |
|          | To approve the contract award of the repairs and maintenance contract covering Camberwell, Peckham, Peckham Rye, Nunhead and Dulwich (and borough wide temporary accommodation).   |           |
| 17.      | <b>GATEWAY 2: CONTRACT AWARD APPROVAL - COMMUNAL LIGHTING AND LIGHTNING PROTECTION CONTRACT</b>  | 159 - 171 |
|          | To approve the award of the communal lighting and lightning protection contract.   |           |
| 18.      | <b>143 COPLESTON ROAD, EAST DULWICH SE15 4AQ - DISPOSAL OF FREEHOLD INTEREST</b>   | 172 - 177 |
|          | To authorise the disposal of the council's freehold interest in 143 Copleston Road, East Dulwich, SE15.  |           |
| 19.      | <b>COLECHURCH HOUSE, SE1</b>   | 178 - 181 |

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|                 | To agree to authorise the council's head of property to agree and where appropriate to vary the terms of the heads of terms and agreement regarding the joint disposal of the sites at Duke Street and Tooley Street, SE1.   |                 |
| <b>20.</b>      | <b>DISPOSAL OF THE GRANGE (SITES C2 AND C4) BERMONDSEY SPA, LONDON SE1</b>   | 182 - 189       |
|                 | To agree to the disposal of The Grange and to authorise the head of property to agree any variation to the terms and conditions necessary to achieve the disposal.   |                 |
| <b>21.</b>      | <b>APPOINTMENTS TO OUTSIDE BODIES 2013/14</b>  | 190 - 198       |
|                 | To agree appointments to outside bodies for 2013/14 municipal year.  |                 |
| <b>22.</b>      | <b>NOMINATIONS TO PANELS, BOARDS AND FORUMS 2013/14</b>  | 199 - 208       |
|                 | To agree the allocation of places and nominations to the panels, boards and forums for the 2013/14 municipal year.   |                 |
|                 | <b>DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING</b>  |                 |
|                 | <b>EXCLUSION OF PRESS AND PUBLIC</b>   |                 |
|                 | The following items are included on the closed section of the agenda. The Proper Officer has decided that the papers should not be circulated to the press and public since they reveal confidential or exempt information as specified in paragraphs 1-7, Access to Information Procedure Rules of the Constitution. The specific paragraph is indicated in the case of exempt information. |                 |
|                 | The following motion should be moved, seconded and approved if the cabinet wishes to exclude the press and public to deal with reports revealing exempt information:   |                 |
|                 | "That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure Rules of the Constitution."   |                 |
|                 | <b>PART B - CLOSED BUSINESS</b>  |                 |
| <b>23.</b>      | <b>MINUTES</b>   |                 |
|                 | To approve as a correct record the closed minutes of the meeting held on 14 May 2013.  |                 |

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24. **GATEWAY 2: CONTRACT AWARD APPROVAL - LONG TERM REPAIRS AND MAINTENANCE CONTRACT**

25. **GATEWAY 2: CONTRACT AWARD APPROVAL - COMMUNAL LIGHTING AND LIGHTNING PROTECTION CONTRACT**

26. **COLECHURCH HOUSE, SE1**

27. **DISPOSAL OF THE GRANGE (SITES C2 AND C4) BERMONDSEY SPA, LONDON SE1**

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

Date: 18 June 2013

## **Notice of Intention to conduct business in a closed meeting, and any representations received**

### **Cabinet 26 June 2013**

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require that the council give a 28 notice period for items to be considered in private/closed session. This has been implemented through the publication of the council's forward plan.

The council is also required under these arrangements to give a further five days notice of its intention to hold the meeting or part of the meeting in private/closed session and give details of any representations received in respect of the private meeting.

This notice issued in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 is to confirm that the cabinet meeting to be held on 26 June 2013 at 4.00pm, Council offices, 160 Tooley Street, London SE1 2QH will be held partly in closed session for consideration of the following items listed on the agenda:

- Item: 25** Gateway 2: Contract Award Approval – Communal Lighting and Lightning Protection Contract
- Item: 26** Colechurch House, London SE1
- Item: 27** Disposal of the Grange (Sites C2 and C4), Bermondsey Spa, London SE1

The proper officer has decided that the agenda papers should not be made available to the press and public on the grounds that they involve the likely disclosure of confidential or exempt information as specified in categories 1 - 7, of the Access to Information Procedure Rules of the Constitution. The reason for both reports is that they contain information falling within category 3: information relating to the financial affairs of any particular person (including the authority holding that information).

In most cases an open version of a closed report is produced and included on the agenda.

No representations have been received in respect of the items listed for consideration in closed session. Any representations received after the issuing of this notice will be reported at the meeting.

Ian Millichap,  
Proper Constitutional Officer

**Dated:** 18 June 2013

## NOTIFICATION OF CLOSED BUSINESS FOR URGENT CONSIDERATION BY AN EXECUTIVE DECISION MAKING BODY

The required 28 days notice relating to a decision likely to be considered in closed session has not been given on the forward plan in respect of the decision detailed in this document. The matter is considered to be urgent and cannot be reasonably deferred for a further 28 days to enable the required notice to be given. Details of the issue are set out below.

Note: This notice applies to meetings of the cabinet, cabinet committee or community councils considering an executive function.

### DECISION MAKER

**Name of decision maker:** Cabinet

**Date of meeting:** 26 June 2013

### LEAD OFFICER DETAILS

**Name and contact details:** David Lewis, Head of Maintenance and Compliance  
Tel: 020 7525 7836 or email: [david.lewis@southwark.gov.uk](mailto:david.lewis@southwark.gov.uk)

### DETAILS OF THE REPORT

#### **Title and brief description of the nature of the business to be considered:**

**ITEM 24:** Gateway 2 – Contract Award Approval, Long-Term Repairs and Maintenance Contract

To approve the contract award of the repairs and maintenance contract Camberwell, Peckham, Peckham Rye, Nunhead and Dulwich (and borough wide temporary accommodation).

- *Why the decision is urgent and cannot be reasonably deferred i.e. Why it cannot wait a further 28 days or more to enable the required notice to be given?*

The decision cannot wait until the publication of the next forward plan which relates to decisions to be taken from August onwards as the contract needs to commence on 2 October 2013. The council is required to give 3 months immobilisation period between the contract start date and contract award date for the contractor to prepare to be on site.

- *What is the potential cost to the council if the decision is delayed?*

Approval of this decision is crucial for the continuity of providing the repairs and maintenance services in the borough.

- *How long has the department known the decision required a closed report?*



Notice that a closed item was required was included on the council's forward plan for decision to be taken at 14 May 2013 cabinet. The decision was however deferred at the meeting, which had taken place after the publication of the forward plan relating to the decisions to be taken from June onwards.

- *If scheduled on the forward plan, what's changed to make this request necessary i.e. why a closed report is now necessary?*

This item was originally listed in the forward plan for consideration by cabinet on 14 May 2013 with notification that a closed report would be required.

**Ian Millichap**  
**Proper Constitutional Officer**  
**Dated: 18 June 2013**



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 14 May 2013 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 Fiona Colley  
Councillor Dora Dixon-Fyle  
Councillor Barrie Hargrove  
Councillor Claire Hickson  
Councillor Richard Livingstone  
Councillor Veronica Ward

### 1. APOLOGIES

Apologies for absence were received from Councillor Catherine McDonald.

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

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

Item 7 – Deputation requests

### 3. NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED

No representations were received in respect of the items listed as closed business for the meeting.

### 4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

**5. PUBLIC QUESTION TIME**

There were no public questions.

**6. MINUTES****RESOLVED:**

That the open minutes of the meeting held on 16 April 2013 be approved as a correct record and signed by the chair.

**7. DEPUTATION REQUESTS**

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent as the request had been submitted in line with the constitutional deadline for the receipt of deputation requests and was therefore eligible for consideration by cabinet.

**RESOLVED:**

That the deputation request be heard.

**Parent Research Team (listed on the agenda as Originally Peckham Voluntary Sector Forum)**

The cabinet received a deputation from parents in respect of research they had undertaken into the educational attainment level of African heritage children in Southwark, particularly Caribbean children. The deputation informed the cabinet that they had written a report entitled 'Our Voices, Our Children, Our Future' from the research and outlined the key findings.

The deputation were seeking support from the council to enable the establishment and development of a black Caribbean parents support group, which would be accountable for the delivery and oversight of the recommendations contained within their report. The support group would work closely with parents in implementing joint strategies for raising the achievements of black Caribbean pupils in Southwark schools. The deputation indicated that they would like support in terms of a secretary and a place to be made available where the support group could meet.

It was agreed that the cabinet member for children's services and officers work with the deputation with a view to achieving their aims. It was also agreed that cabinet receive a report in September on the issue and that any progress that could be made in the meantime is made.

## 8. DRAFT REVISED CANADA WATER AREA ACTION PLAN (AAP)

### RESOLVED:

1. That the draft revised Canada Water area action plan (Appendix A of the report) be approved for formal public consultation in accordance with Regulation 18 of the Town and Country Planning (Local Planning)(England) Regulations 2012 (“the Regulations”).
2. That the sustainability appraisal (Appendix B), the equalities analysis (Appendix C), the consultation plan (Appendix D) and appropriate assessment (Appendix E) of the report be noted.

## 9. COMMUNITY SAFETY INITIATIVES 2013/14

### RESOLVED:

#### Decisions of the Cabinet

1. That the work done with the Mayors Office for Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS) to fund replacements for police front counters be noted.
2. That the work done to identify further community safety initiatives be noted.

#### Decision of the Leader of the Council

3. That authority be delegated to the cabinet member for finance, resources and community safety to determine which initiatives should be funded and the amounts to be spent from the £750,000 set aside in 2012/13.

## 10. LAKANAL INQUIRY - CORONER'S RECOMMENDATIONS

### RESOLVED:

1. That the contents of the report which provides detailed information and considerations which will shape the response to the Coroner's Rule 43 letter of 28 March 2013 be noted and approved.
2. That high rise buildings be defined as being those above 30m, equating to those of 10 storeys and above.
3. That the coroner's recommendations also apply to known lower storey but complex blocks, i.e. those with more than one means of escape, along with the council's sheltered housing schemes and temporary accommodation units.
4. That officers investigate how a full internal stock condition survey of the council's housing stock, that includes those sold leasehold, would be possible.

5. That officers carry out a full feasibility study into the retro-fitting of sprinklers into high rise blocks and report back to cabinet on the findings by November 2013.
6. That the full response to the Rule 43 letter be delegated to the chief executive.

#### **11. HOUSING REVENUE ACCOUNT (HRA) CONSULTATION ON PROGRAMMES**

The cabinet agreed to hear representations from Unison in respect of this item. The representative from Unison addressed the cabinet and expressed concern about the proposal to create a team of communal repairs compliance officers, which he said would remove the communal repairs function from the remit of housing operations division and resident service officers. Unison felt that a more efficient use of resources would be to increase the compliment of technical quality officers.

##### **RESOLVED:**

1. That the results of the consultation with residents, staff and unions be noted.
2. That the proposed use of £4m from the heating account surplus on communal heating energy efficiency measures as set out in paragraph 22 of the report be noted.
3. That the proposed programme for door entry and security, estate action days, external redecoration, communal heating energy efficiency measures and the introduction of communal repairs compliance officers as set out in paragraph 31 of the report be agreed.

#### **12. GATEWAY 2 - CONTRACT AWARD APPROVAL, LONG-TERM REPAIRS AND MAINTENANCE CONTRACT**

This item was deferred.

#### **13. GATEWAY 1 - APPROVAL OF THE PROCUREMENT STRATEGY FOR ARBORICULTURAL SERVICES**

##### **RESOLVED:**

That the procurement strategy and transfer of service to the in-house team of the borough wide arboricultural services as detailed in paragraphs 37-40 of the report be approved.

**14. DISPOSAL OF THE SITE COMPRISING 184-188 SOUTHAMPTON WAY, 5A HAVIL STREET AND PART OF THE BEACON ESTATE, LONDON SE5**

**RESOLVED:**

1. That the disposal of the council's freehold interest in 184-188 Southampton Way, 5a Havil Street and part of Beacon House Estate ("the site") for residential purposes on the following terms and conditions be approved:
  - (a) Legal interest - building lease convertible to freehold transferred upon practical completion of proposed development
  - (b) That the disposal is subject to obtaining planning consent for either of the two proposed schemes where the council can share in any profits from either of the proposed schemes
  - (c) That the disposal is subject to the council providing vacant possession of the land
  - (d) Fees - the purchaser has agreed to pay a contribution towards the council's reasonable legal and surveying fees.
2. That the head of property be authorised to agree any variations to these terms or vary the extent of the boundary that may be necessary to achieve the successful regeneration of land comprising Southampton Way, Havil Street and part of the Beacon House Estate.
3. That in the unlikely event that this recommended sale does not proceed to exchange of contracts, the head of property be authorised to agree the terms of a sale with any one or combination of the under bidders set out in the closed report and/or any other third party.
4. That as approximately 16% of the capital receipt from the sale of the site is housing land, that this be recycled into the housing investment programme.

**15. MOTIONS REFERRED FROM COUNCIL ASSEMBLY - 27 MARCH 2013**

**RESOLVED:**

**Basic safety and security for residents**

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

1. That council assembly believes that crime and the fear of crime are among our residents' main concerns and notes the council's fairer future promise to crack down on anti-social behaviour and implement a violent crime strategy.
2. That council assembly notes the progress being made against the 5 priorities in the violent crime strategy including:
  - 9% reduction in violence with injury

- 4% reduction in most serious violence
  - 22% reduction in knives used to injure
  - 19% reduction in youth violence
  - 10% reduction in domestic abuse.
3. That council assembly notes that despite savings to Southwark's anti-social behaviour unit, the number of anti-social behaviour cases that have been managed by Southwark antisocial behaviour unit (SASBU and housing officers over the last three years has actually increased by 40%; the number of acceptable behaviour contracts issued increased by 19% on last year.
  4. That council assembly welcomes the establishment of the Southwark anti-violence unit (SAVU), a multiagency team working together to support individuals and families affected by gang and serious youth violence. It welcomes the fact that, the first 10 months evaluation highlights that following engagement with SAVU, 45% of SAVU clients have not come to police notice, compared with the 12 months prior to their involvement in the scheme when 100% had come to notice. Council assembly further notes the favourable review of this work by the Home Office in October 2012, in which the council was praised by the review team for its 'political leaders recognising and prioritising ending gang and youth violence work and sending out a very strong signal that this is a priority for the borough and will be resourced and supported'.
  5. That council assembly also welcomes the announcement in last month's budget of £1.4m to upgrade outdated camera systems on Southwark's housing estates as well as 30 new redeployable cameras and an upgraded control room. It notes that CCTV has supported the police in making around 900 arrests between April and March of 2012/13.
  6. That council assembly regrets the government's decision to cut the Met's budget by 20% and the impact this has had on police officer numbers in the borough and on closures to police stations in Rotherhithe and East Dulwich. It welcomes the council's decision to identify £750,000 for community safety initiatives including alternative police front counters.
  7. That council assembly asks the cabinet to develop plans to:
    - Work collaboratively with customs and excise, police and neighbouring boroughs to tackle the drugs trade
    - Work with communities and registered social landlords to develop new approaches to resolve conflicts within communities
    - Help communities gain confidence to tackle anti-social behaviour in their midst
    - Continue the excellent work of SAVU despite government cuts
    - Develop further the work with our partners to reduce re-offending
    - Work with Solace, the voluntary sector and local hospitals to develop innovative approaches to tackling violence against women and girls.

### **Localising planning decisions**

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

1. That council assembly notes the concerns which residents and members from all parties have raised about travel times to Tooley Street from the south of the borough.
2. That council assembly recognises the need to make planning decision-making as accessible to all residents as possible.
3. That council assembly further recognises the need for financial efficiency across all departments in this time of austerity, and the additional unsustainable costs which would be incurred by holding planning committee meetings in a range of different venues across the borough.
4. That council assembly therefore proposes that some planning sub-committee meetings should be held at the council offices at Queen's Road Peckham as soon as it is practical.
5. That council assembly requests the director of planning to report back on the impact of this change of venue in terms of the attendance of members of the public at planning sub-committee meetings in one year's time.

### **Fire at Walworth Town Hall / Cuming Museum**

That the motion referred from council assembly as a recommendation to cabinet, set out below be agreed and the comments of the chief executive be noted.

That council assembly:

- Expresses great sadness at the devastating fire this week at Walworth Town Hall and the damage it has caused to the Cuming museum and adjoining buildings
- Thanks the emergency services, council staff and local residents and businesses for their dedicated efforts to protect lives and heritage
- Supports the work of officers in finding alternative temporary premises for the One Stop Shop and library study space
- Recognises the need for community conversations to now take place to allow residents to share their thoughts about the buildings and the future, including preserving the external facade in any rebuilding work
- Notes that the first fire engine on the scene came from Southwark Fire Station, which is currently on the Mayor of London's list for closure, and that other fire engines assisting were from stations also under threat of closure
- Calls on the Mayor of London to have regard to this event before finalising the planned fire station closures in light of the events of this week, given how much



worse the situation could have been without the quick response from our local fire stations.

## **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.

The following is a summary of the closed part of the meeting.

## **16. MINUTES**

The closed minutes of the meeting held on 16 April 2013 were approved as a correct record and signed by the chair.

## **17. GATEWAY 2 - CONTRACT AWARD APPROVAL - LONG TERM REPAIRS AND MAINTENANCE CONTRACT**

This item was deferred.

## **18. GATEWAY 1 - APPROVAL OF THE PROCUREMENT STRATEGY FOR ARBORICULTURAL SERVICES**

The cabinet considered the closed information relating to this item. See item 13 for decision.

## **19. DISPOSAL OF THE SITE COMPRISING 184-188 SOUTHAMPTON WAY, 5A HAVIL STREET AND PART OF THE BEACON HOUSE ESTATE, LONDON SE5**

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

The meeting ended at 5.52pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 22 MAY 2013.**

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

|                                   |                                |  |                                 |
|-----------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No:</b><br>8.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report Title:</b>              |                                | Call-in: Gateway to Peckham – Public Square and Station Regeneration (Cabinet 16 April 2013) |                                 |
| <b>Ward(s) or Group affected:</b> |                                | The Lane   |                                 |
| <b>From:</b>                      |                                | Overview & Scrutiny Committee  |                                 |

### RECOMMENDATIONS

The Overview & Scrutiny Committee agreed not to refer the decision back to the cabinet, but made the following additional recommendations:

1. That the cabinet should investigate models of partnership arrangements which are as dynamic as possible while involving the widest range of stakeholders and community groups.
2. That the cabinet clarifies as soon as possible the extent of the area in which the acquisition of all interests is required.
3. That the cabinet member and officers ensure that the outcomes of involvement activities for this project are recorded, especially those with partners, alongside logistical information on the number of meetings and consultation documents distributed and stakeholders consulted, to ensure meaningful and measurable engagement.

### BACKGROUND INFORMATION

4. On 16 April 2013 the Cabinet considered a report setting out how to progress plans for the new Peckham Rye Station Square project.
5. The Cabinet agreed:
  - That the progress made to date be noted.
  - That officers be instructed to commence negotiation with all interested parties in the area.
  - That the director of regeneration be authorised:
    - a) To approve the detailed provisions and requirements of a business engagement package in consultation with the cabinet members for regeneration and corporate strategy and communities and economic wellbeing.

- b) To prepare and report back to cabinet at the earliest opportunity on a land information and assembly strategy, which would include:
- i. Continued engagement and negotiations to acquire all interests and approve agreements with landowners of land within the area shown in Appendix 1 of the report
  - ii. Undertake referencing and/or obtain further information using requisitions under the Acquisition of Land Act 1981
  - iii. Amend the boundaries of the areas edged in bold and shown in Appendix 1 of the report should it be required
  - iv. Enter into agreement with Network Rail for the Gateway to Peckham project.

### **REASONS FOR CALL- IN**

6. On 24 April 2013 the Chair of Overview & Scrutiny Committee (Councillor Catherine Bowman) and four members of the committee (Councillors Toby Eckersley, David Hubber, David Noakes and Paul Noblet) requested a call-in of the decisions on the following grounds:
- Failure to maintain the link between strategy and implementation - the scheme that officers discussed with Peckham Vision stakeholders differed significantly from the scheme presented in the report. Specifically, stakeholders claimed that the area for development outlined in the report was not the same as the one that had been discussed with officers.
  - Due consultation and the taking of professional advice from officers - Peckham Vision representatives gave evidence at Cabinet that they had had "18 months of unsatisfactory" meetings with officers. The Director of Regeneration (Steve Platts) acknowledged that there were problems with the report, apologising "for some of the language".

### **CALL- IN MEETING**

7. The committee considered the call-in at its meeting on 7 May 2013. It received evidence from Councillor Fiona Colley, Cabinet Member for Regeneration and Corporate Strategy, Steve Platts, Director of Regeneration, and representatives of Peckham Vision.

**BACKGROUND DOCUMENTS**

| Background Papers   | Held at                             | Contact  |
|---|-------------------------------------|--|
| Report to Cabinet 16 April 2013. The document is available to view on this web page (item 12):<br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4253&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4253&amp;Ver=4</a> | 160 Tooley Street<br>London SE1 2QH | Paula Thornton<br>Constitutional Team<br>020 7525 4395 |

**APPENDICES**

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

**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>  | 11 June 2013                               |                          |
| <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   | No                       |
| Strategic Director of Finance and Corporate Services                    | No   | No                       |
| <b>Cabinet Member</b>   | No   | No                       |
| <b>Date final report sent to Constitutional Team</b>                    | 11 June 2013                               |                          |

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>9.              | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013                                 | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Gateway to Peckham - Public Square and Station Regeneration  |                                 |
| <b>Ward(s) or groups affected:</b> |                                | The Lane   |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Fiona Colley, Regeneration and Corporate Strategy |                                 |

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

This report follows up a number of issues raised regarding our Gateway to Peckham cabinet decision in April. Unfortunately the original recommendations of that report indicated that the council intended to buy out all interests across a far larger area than we in fact intended. Although this was clarified at the meeting and the recommendations amended, some confusion remained and the report was called in to scrutiny.

I'd like to thank Overview and Scrutiny Committee for their decision not to refer back the decision to cabinet and for their constructive recommendations. We are through this report taking the opportunity to clarify the extent of the area in which the acquisition of all interests is required. We also recommend agreeing the other two recommendations and that cabinet should receive a further report and recommendations when investigations of models of partnership arrangements is complete.

Since the last report I have taken the opportunity to visit a number of the cultural businesses who were concerned about their future. I hope I have provided them with a level of reassurance that far from wishing to evict them from the area, that the Gateway to Peckham project is an opportunity to build on the best that Peckham already has to offer and create an arts, culture and leisure hub that will create jobs and business opportunities and be an exciting new destination in London.

## **RECOMMENDATIONS**

That the cabinet

1. Notes the recommendations from the overview and scrutiny committee and supports the clarification of the area where interests need to be acquired
2. Agree to take a further report on the findings of the engagement models investigated in the autumn.

## **KEY ISSUES FOR CONSIDERATION**

3. On 16 April 2013, the cabinet approved the commencement of negotiation with interested parties and delegated authority to the director of regeneration to approve a business engagement package and to prepare and implement a land

information and assembly strategy for the Gateway to Peckham project.

4. This decision was called in by the overview and scrutiny committee who considered the report on 7 May 2013 and made the following recommendations:
  - That the cabinet should investigate models of partnership arrangements which are as dynamic as possible while involving the widest range of stakeholders and community groups.
  - That the cabinet clarifies as soon as possible the extent of the area in which the acquisition of all interests is required.
  - That the cabinet member and officers ensure that the outcomes of involvement activities for this project are recorded, especially those with partners, alongside logistical information on the number of meetings and consultation documents distributed and stakeholders consulted, to ensure meaningful and measurable engagement.
5. In response to the first recommendation, officers will investigate a range of engagement models, learning from previous experience, using best practice and recognising available resources. In this investigation officers will liaise with Network Rail, Greater London Authority, ward councilors, and key stakeholders and report back findings to cabinet in the autumn.
6. Appendix one shows the extent of area in which the acquisition of all interests is required. The darker shaded area is where the acquisition of all interests is expected to be required. The lighter shaded areas are less likely to be required however further technical assessment by Network Rail, particularly around the station building, will determine requirements.
7. Officers will continue to ensure that outcomes are appropriately recorded and will ensure that this is built into the engagement models to be investigated.

#### **Legal issues**

8. The overriding intention of achieving the regeneration of Peckham Rye station is part of the overall aim of the council to promote and improve the economic environmental and social well being of the area around the station.
9. None of the recommendations contained in this report give rise to any legal issues at this stage.

#### **Strategic Director of Finance and Corporate Services (FC13/039)**

10. This report notes the recommendations from the overview and scrutiny committee and the investigation into partnership models.
11. The strategic director of finance and corporate services notes that there are no new financial implications as a result of accepting the recommendations of this report. The officer time required to support this work can be contained within existing resources.

**BACKGROUND PAPERS**

| Background Papers   | Held At   | Contact                     |
|---|---|-----------------------------|
| Cabinet Report - Approval to enter grant agreement with the GLA for the Gateway to Peckham Project – April 2012 | <a href="http://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?Id=18556">http://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?Id=18556</a> | Sally Crew<br>020 7525 5564 |

**APPENDICES**

| No.          | Title                   |
|--------------|-------------------------|
| Appendix One | Gateway to Peckham Area |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Fiona Colley, Regeneration and Corporate Strategy |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive                               |                          |
| <b>Report Author</b>  | Sally Crew, Group Manager, Policy and Programmes             |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 17 June 2013   |                          |
| <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   | No                       |
| Strategic Director of Finance & Corporate Services                      | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 17 June 2013   |                          |



Date 6/6/2013



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|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>10.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Policy and Resources Strategy 2014/15 - Revenue Budget - Initial Financial Remit |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All  |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Richard Livingstone, Finance Resources and Community Safety           |                                 |

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

This council continues to face massive budget pressure as a consequence of the unprecedented cuts from government. Southwark Council has had the eleventh highest level of cuts per head of all English councils after the first three years of those cuts.

This report looks forward to the budget that the council will be setting for the 2014/15 financial year and identifies a £23m budget gap that needs to be addressed, even once new money coming in is considered. The sound financial management of the council in this period of decreasing funding from government means that there are some resources, such as reserves and balances, that we may be able to use to address part of this shortfall. Nevertheless, the scale of the £23m budget gap will entail some difficult decisions about services too.

For this reason, this report signals the start of a consultation process with the community to enable their full participation in helping us decide where savings should be made. At the same time, officers will be working hard to review all areas of expenditure to ensure that this council is spending every pound as effectively as possible. These pieces of work will inform budget options that will be presented in the autumn.

## **RECOMMENDATIONS**

That cabinet:

1. Note the provisional funding settlement for 2014/15 as announced by Government in December 2012, including lost spending power of £20.6m as adjusted.
2. Note that the forthcoming Spending Round announcement is due on 26 June 2013 and that this contains the potential for further reductions in funding to local government over the next two years.
3. Note the emerging pressures on council budgets for future years including general and contractual inflation, pay awards and general demand pressures across services.

4. Reaffirm their commitment to the ten fairer future promises as set out in the Council Plan and Medium Term Resources Strategy (MTRS) and the seven budget principles to guide and underpin the work of officers in arriving at a balanced budget proposal for 2014/15.
5. Instruct officers to continue to work on budget options for a balanced budget in 2014/15 for presentation to the cabinet in the autumn of 2013, following a programme of public consultation over the summer.

#### **BACKGROUND INFORMATION**

6. In February 2013, Council Assembly agreed the 2013/14 revenue budget as the third year of a three year notional plan set out in February 2011. While a provisional settlement for 2014/15 had been announced in December 2012, this left little time to consider real options for preparing a balanced budget option for 2014/15. Consideration was deferred until the spring of 2013.
7. Not least, the provisional settlement for 2014/15 indicated a loss in spending power for the council of £21.4m arising from the net loss of government funding. This loss, while since adjusted by government as part of the final draft settlement for 2014/15 to £20.6m, represents another significant challenge for the council.
8. This report is a scene setting report for the 2014/15-2016/17 budget process. The budget will be prepared in the context of a number of fundamental changes and issues which affect the resources available to and demands upon the council.
9. Since the government announcement of an indicative 2014/15 settlement amount, they have announced that a spending review will take place in 2013. The announcement is currently expected on 26 June and is expected to include further cuts in local government funding in 2015/16 and possibly 2016/17. Due to these issues, the council does not have certainty over the funding available for 2014/15 or for any year beyond.
10. The budget for 2014/15 will be prepared in the context of a three year budget framework (2014/15-2016/17). It is intended that a draft budget will be prepared for agreement by council assembly in November 2013, with the final budget agreement and council tax setting in February 2014 by which time government should have confirmed the final settlement for each local authority.
11. As part of the scene setting for 2014/15 there are known pressures or matters to be taken into consideration. These matters are listed here and explored further in the report:
  - Indicative 2014/15 start up funding
  - Council Tax freeze grant for 2014/15
  - impact of the census
  - Public Health Transfer
  - Pay Award
  - General and Alternative Inflation
  - Use of Balances
  - New Homes Bonus

## Recent Funding Settlements

12. The period from February 2011 which established the three year framework has seen considerable changes to the council, with the savings amounting to £87.1m, and investment in council priorities, commitment and growth of £34.0m. In this period a total of £62.6m of specific grant was transferred to formula funding, a significant amount of this funding has been cut, effectively reducing the resources available to the council
13. Indicative government figures for 2014/15, published as part of the 2013/14 settlement suggest that Southwark will receive £24.4m (9.6%) less than in 2013/14.
14. In the absence of any more certain information the proposals for 2014/15 are included in this report. Assumptions on 2015/16 and 2016/17 are included as footnotes in the Provisional Indicative budget for 2014/15 to 2016/17 table in paragraph 65.

## KEY ISSUES FOR CONSIDERATION

### Revenue spending power

15. The term “revenue spending power” was first introduced by the government as part of the 2011/12 Local Government Finance Settlement. It is made up of formula grant plus council tax income along with a selection of specific grants and NHS support for health and social care.
16. 2011/12 was the first year of the major cuts in government funding of local authorities. Based upon the spending power the Secretary of State announced average local authority grant reductions of 4.4% with no authority to experience reductions of more than 8.9% in 2011/12. For those authorities experiencing cuts beyond this level an £85m Transition Grant was introduced for 2011/12 and £14m in 2012/13. Southwark was not eligible for transition grant in either year. No transition grant was given in 2013/14.
17. As part of the 2013/14 finance settlement the government announced indicative spending power figures for 2014/15. Based on these figures, Southwark will incur a £20.6m reduction (6.0%). This compares with a reduction for Inner London of £198.4m (5.9%) and £380.7m (4.9%) for all London authorities. At a national level the reduction is £1,867.3m (3.8%).
18. These reductions for Southwark in 2014/15 follow on from the loss of £33.7m (8.4%) in 2011/12, £16.9m (4.6%) in 2012/13 and £3.9m (1.1%) in 2013/14. For all years, the assessment is in cash terms and takes no account of inflation, albeit that pay awards have been frozen through the period. The real terms analysis of these reductions in spending power would clearly worsen the overall loss.
19. The table below shows the reduction in spending power (excluding |Public Health) for Southwark, London and England since 2011/12, it can be seen that over the four year period Southwark and London have borne a disproportionate share of the reductions.

|              | 2011/12    |       | 2012/13    |       | 2013/14 |       | 2014/15    |       |
|--------------|------------|-------|------------|-------|---------|-------|------------|-------|
|              | £m         | %     | £m         | %     | £m      | %     | £m         | %     |
| Southwark    | (33.7)     | (8.4) | (16.9)     | (4.6) | (3.9)   | (1.1) | (20.6)     | (6.0) |
| Inner London | (303.3)    | (7.8) | (175.1)    | (4.9) | (34.8)  | (1.0) | (198.4)    | (5.9) |
| London       | (514.8)    | (5.9) | (325.3)    | (4.0) | (80.3)  | (1.0) | (380.7)    | (4.9) |
| England      | (2,578.50) | (4.7) | (1,742.90) | (3.3) | (828.3) | (1.7) | (1,876.30) | (3.8) |

20. Since 2010/11, Southwark will have lost a total of £75.1m revenue spending power by 2014/15.
21. Revenue Spending Power masks the reduction in formula grant. In 2011/12 Southwark's spending power was 8.4% while the reduction in formula grant was 11.3%. For 2014/15, the reduction in spending power is 6.0%, while the reduction in start up funding is 9.6%.
22. The difference between the reductions in start up funding and revenue spending power are due to increases in specific grants, mainly New Homes Bonus, which do allow local authorities to spend more, do not form part of the council tax requirement or budget requirement calculations, and as such do not affect year on year budgeting decisions.
23. The movements contributing to the reduction in spending power are included in the table below

| Southwark   | 2013/14        | 2014/15        | Change         | Change        |
|---|----------------|----------------|----------------|---------------|
|   | £m             | £m             | £m             | %             |
| <b>Start-up Funding Assessment</b>                    | <b>253.372</b> | <b>228.954</b> | <b>-24.418</b> | <b>-9.64%</b> |
| Council tax   | 91.243         | 91.243         | 0.000          | 0.00%         |
| Council tax support grant                             | -18.571        | -18.571        | 0.000          | 0.00%         |
| Lead Local Flood Authorities                          | 0.255          | 0.255          | 0.000          | 0.00%         |
| Social Fund Admin Grant                               | 0.288          | 0.264          | -0.024         | -8.33%        |
| Community Right to Challenge                          | 0.009          | 0.009          | 0.000          | 0.00%         |
| Community Right to Bid                                | 0.008          | 0.008          | 0.000          | 0.00%         |
| CT Freeze 2013-14                                     | 0.929          | 0.929          | 0.000          | 0.00%         |
| New Homes Bonus                                       | 8.061          | 10.940         | 2.879          | 35.72%        |
| New Homes Bonus adjustment                            | 0.858          | 1.525          | 0.667          | 77.74%        |
| Local Reform and Community Voices DH revenue grant    | 0.275          | 0.284          | 0.009          | 3.15%         |
| NHS funding to support social care and benefit health | 5.621          | 5.890          | 0.269          | 4.79%         |
| <b>Revised Spending Power at final settlement</b>     | <b>342.348</b> | <b>321.730</b> | <b>-20.618</b> | <b>-6.02%</b> |
| Public Health   | 21.809         | 22.946         | 1.137          | 5.21%         |
| <b>Revised Spending Power at final settlement</b>     | <b>364.157</b> | <b>344.676</b> | <b>-19.481</b> | <b>-5.35%</b> |

24. Revenue Spending power does not include allowances for increased demand, population changes, general or contractual inflation or pay awards.

### Indicative 2014/15 start up funding from 2013/14 settlement

25. The 2013/14 budget was the first prepared in the context of fundamental changes to the way councils were resourced. The 2013/14 budget setting process was made more difficult by the late timing of the settlement, the complexity of the changes and the limited amount of data and analysis to support the settlement including the detail underlying changes in spending power. These issues were explained in a report to cabinet in February 2013 and included:

- changes to the local government financing system, including localisation of business rates
- changes to formula funding that affected the calculation of the council's baseline spending
- changes to the treatment of specific grants, such as the Early Intervention Grant (EIG)
- the localisation of council tax benefit, including its impact on the calculation of the council tax base
- council tax reform including changes to exemptions and discounts such as that for second homes

26. Given the material changes outlined above, it is important that both spending and resources are monitored closely in 2013/14. Information gained will be used to support the development of the 2014/15 budget proposals.

27. For Southwark, the government's calculation of start up funding comprises of the following:

|   | <b>2013/14<br/>Start up<br/>Funding<br/>£m</b> | <b>2014/15<br/>Indicative<br/>Funding<br/>£m</b> |
|---|--|--|
| <b>Formula Funding</b>                        | <b>205.57</b>                                  | <b>200.38</b>                                    |
| Add Grants rolled in                          |  |  |
| 2011/12 Council Tax Freeze Compensation       | 2.26   | 2.26   |
| Council Tax Support Funding                   | 18.57  | -  |
| Early Intervention Funding                    | 14.42  | 13.50  |
| Homelessness Prevention Funding               | 1.54   | 1.54   |
| Lead Local Flood Authority Funding            | 0.18   | 0.18   |
| Learning Disability and Health Reform Funding | 10.83  | 11.10  |
| <b>Total Grants rolled in</b>                 | <b>47.80</b>                                   | <b>28.58</b>                                     |
| <b>Total Start Up Funding</b>                 | <b>253.37</b>                                  | <b>228.96</b>                                    |

28. For the transition to the business rates retention system, the government calculated for each local authority a baseline funding level for 2013/14. For Southwark this was £101.222m. For 2014/15 the government's indicative allocation has uplifted this by 3%, the government's estimate of RPI for September 2013, to £104.33m.

29. A business rates base line is also calculated for each local authority. For Southwark this is £96.57m representing 0.0089% (rounded) of a national retained shared total of £10.899bn. For 2014/15 this had been inflated to

£99.53m. This is after 50% has been passed to government. A further 40% of Southwark's baseline amount (20% after the government share) is passed on to the Greater London Authority (GLA), leaving £59.72m, see below.

|  | 2013/14<br>£m | 2014/15<br>£m |
|--|---------------|---------------|
| Net forecast rate yield  | 193.14        | 199.06        |
| Less: amount to be paid to central government (50%)  | (96.57)       | (99.53)       |
| <b>Business rate baseline</b>  | <b>96.57</b>  | <b>99.53</b>  |
| Less amount to be passed on to the GLA (40% of business rates baseline, 20% of net rate yield) | (38.63)       | (39.81)       |
| <b>RBR income for Southwark Council (30%)</b>  | <b>57.94</b>  | <b>59.72</b>  |

30. This figure is deducted from the baseline funding to determine the top-up or tariff. Southwark will receive an indicative top-up of £44.61m in 2014/15.
31. The 2014/15 adjusted baseline funding of £104.33m is then deducted from the start up funding of £228.963m to determine the amount of revenue support grant. For Southwark this will be £124.63m.
32. The total of each of the above elements of the retained business rates system matches the start up funding as can be seen below. For 2014/15 the government have assumed a 3.0% inflation rate for the uplift of the baseline funding amount.

|                               | 2013/14<br>£m | 2014/15<br>£m | Change<br>£m   | Change<br>%   |
|-------------------------------|---------------|---------------|----------------|---------------|
| Retained Business Rates (RBR) | 57.94         | 59.72         | 1.78           | 3.0%          |
| RBR top up from government    | 43.28         | 44.61         | 1.33           | 3.0%          |
| <b>Baseline funding level</b> | <b>101.22</b> | <b>104.33</b> | <b>3.11</b>    | <b>3.0%</b>   |
| Revenue Support Grant (RSG)   | 152.15        | 124.63        | (27.52)        | (18.1%)       |
| <b>Total Funding</b>          | <b>253.37</b> | <b>228.96</b> | <b>(24.41)</b> | <b>(9.6%)</b> |

33. In addition to the rate of inflation used to uplift the baseline, actual retained business rates income for 2014/15 will be dependent on the assessed rateable values, effect of appeals and collection rates. An NNDR1 return to estimate this will be submitted by the council to DCLG in January 2014. The net rate yield from the NNDR1 report is then adjusted to take account of the central government (50%) and GLA share (20%).
34. As highlighted in budget papers for 2013/14, when any new scheme of this material significance is introduced, it may take a little time for the operation of the scheme to be fully understood and modelled. Experience during 2013/14 will be used to inform projections for 2014/15 moving forward.
35. The retained business rates scheme presents significant risk to the council but also some opportunity in the event of an increase in business rate yield that surpasses government targets. Any uncollected business rates, or unfavourable variation from government estimates of rateable values, will impact directly on council resources available and therefore on resources available to fund and to provide services.

36. Although the business rates retention scheme includes a safety net at 7.5% to protect local authorities from significant reductions in business rates, this means that shortfalls from 0-7.5% will not be protected and will have to be borne by the local authority. It would be possible for a local authority to lose just below 7.5% for a number of years and never receive any safety net payment. In addition, the council has to estimate for the impact of appeals, of which there are 1,400 outstanding at present. The government based business rates estimates on a two year average, rather than five years as initially proposed, and this presents a more buoyant figure for Southwark than would otherwise have been the case. Business rates are clearly very significantly influenced by the overall economic climate.

#### **Council Tax freeze grant for 2014/15**

37. In October 2012 the government announced that it would be making £228m available to English councils to fund a council tax freeze in 2013/14, equivalent to a 1% increase in council tax. For 2013/14 Southwark will receive around £929k. Local authorities taking this grant will also receive the same amount in 2014/15 to avoid a cliff edge.
38. Southwark council tax has remained frozen since 2008/09.
39. While the council tax freeze grant is positive for council tax payers, it limits flexibility for the council and will ultimately lead to a budget gap when the grant finishes.

#### **The impact of the census and mid year population estimates**

40. The data used to determine start up funding is now frozen, population and other factors that traditionally affected the funding formula will not be reviewed until preparations begin for the 2020/21 settlement at the earliest.

#### **Public Health Transfer**

41. Responsibility for public health transferred from the NHS to local government on 1 April 2013.
42. For 2013/14 Southwark will receive a ring fenced grant for public health to meet the cost of these new responsibilities of £21.809m, however it is unclear whether the resources allocated to fund these new responsibilities will be sufficient to meet the costs. Close revenue monitoring during 2013/14 will seek to identify any unfunded pressures.
43. The government have announced that this grant will increase to £22.946m in 2014/15, an increase of £1.137m.
44. Budgets for public health are held within the Chief Executive's, Children's and Adult's services, and Environment and Leisure departments, with overall responsibility being held by the Strategic Director of Children's and Adults' services.

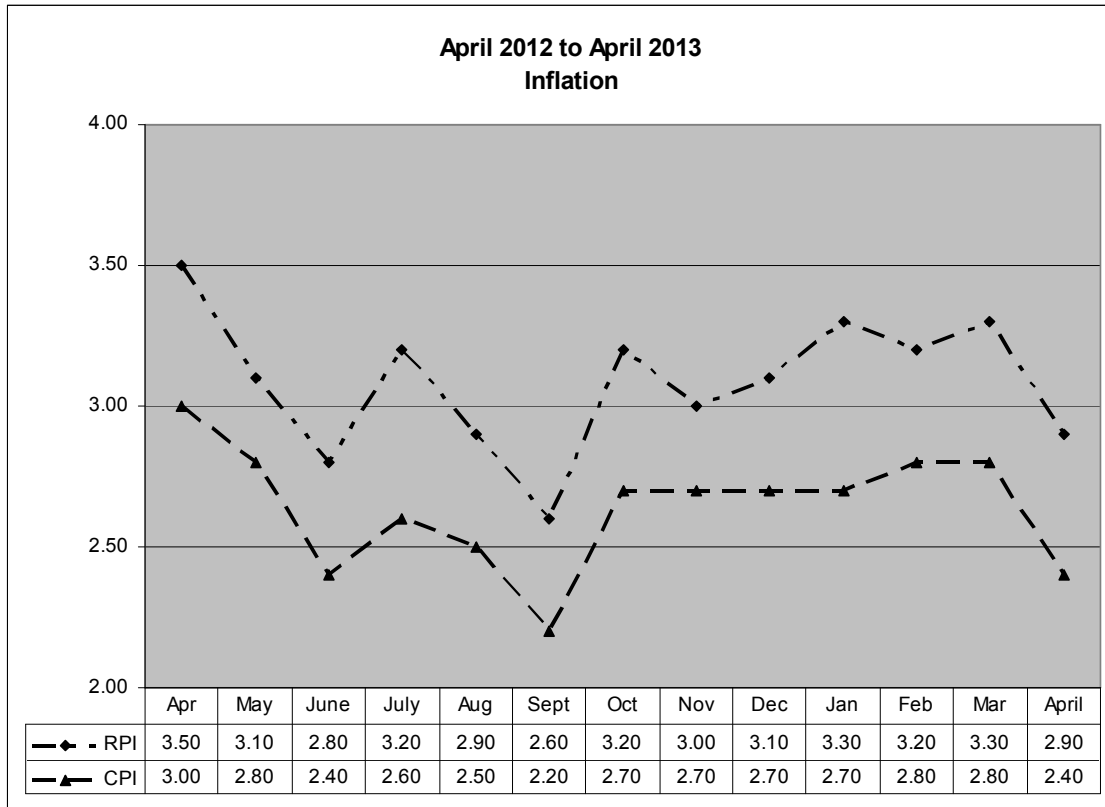


### **Pay Award**

45. Public sector pay has not increased since 2009/10, the two year public sector pay freeze announced by the government in the emergency budget on 22 June 2010 froze pay for 2011/12 and 2012/13.
46. The November 2011 Autumn Statement set public sector pay increases at an average of one per cent for the two years after the current pay freeze comes to an end (i.e. for 2013/14 and 2014/15).
47. In Southwark, there has been no NJC pay award since April 2009 and so there has been a Southwark pay freeze for four years, apart from the low wage payments and the change in April 2012 when the minimum spinal column point payable was amended to reflect the council's commitment to pay London Living Wage as a minimum full time salary.
48. The 2013/14 budget agreed in February 2013, contained provision for a 1% increase. In April 2013 a 1% pay award was offered by local authority employers for 2013/14.
49. Current estimates therefore include a further 1% for a 2014/15 pay award at a cost of £1.6m

### **General Inflation**

50. From March 2013, the Office for National Statistics (ONS) began publishing two new indicators, CPIH and RPIJ. CPIH will be similar to the Consumer Price Index (CPI) but includes a measure of owner occupiers' housing costs based on how much it would cost them to rent similar properties. RPIJ has the same coverage as the RPI but uses a different formula for aggregating some price changes, which produces a lower measure of inflation.
51. The ONS also announced that RPI inflation numbers will no longer be National Statistics, although will still be reported, RPIX will no longer be measured. It is unclear how these decisions will affect indexation of contracts currently using RPIX.
52. Due to pressure on budgets, no allowance for general inflation effects has been provided for in the budget since 2010/11. On 21 May 2013, ONS announced the inflation statistics for April 2013. The reported indicators show CPI at 2.4% (0.4% reduction from March), RPI 2.9% (again 0.4% down on the March index).
53. The chart below shows the movement in inflation from April 2012 to April 2013. Over the course of the year all inflation rates have reduced against their 2012 figures, and after rising from their lowest position since 2009 in September 2012 between October and March, have again begun to fall.



54. Running costs budgets amount to some £150m for 2013/14, with CPI currently at 2.4% and RPI at 3.9% after taking account of alternative inflation of £2.4m, explained in paragraph 55 below, Southwark are absorbing inflationary pressures of £2.0m and £1.2m respectively.

#### Alternative Inflation

55. The council also calculates “alternative inflation” which covers things like long term contracts tied to industry specific rates of inflation (e.g. contracts, utilities, etc). Alternative inflation does not have a single rate and current provisional estimates show alternative inflation at £2.2m for 2014/15.
56. As shown above, as RPI inflation numbers will no longer be National Statistics, although will still be reported, and RPIX will no be longer measured. At this stage it is unclear how these decisions will affect indexation of contracts currently using RPIX. Officers are reviewing the alternative indicators for inclusion in future contracts, and for existing contracts which note RPI indicators will be working with contract managers to agree how the annual reviews are to be measured.
57. The council will continue to work closely with its contractors to achieve efficiencies, and to get maximum value for money from the considerable spend on contracts. Current projections assume that contractual inflationary increases will slow over time.

#### Use of balances

58. Following the unprecedented reductions in government grant for 2011/12, and the short notice given by the government to identify savings, £3.4m was taken

from reserves to support the 2011/12 budget setting process. For 2012/13 an additional £1.0m was taken from reserves.

59. The 2013/14 budget agreed by council Assembly on 27 February 2013 included an additional £1.8m, a total contribution from reserves of £6.2m.
60. The scale of budget reductions required for 2014/15-2016/17 means that it is unlikely that a balanced budget will be achievable from departmental savings alone, and further calls on reserves are almost inevitable. The model presented in paragraph 65 assumes £6.2m contribution from reserves in each of the years 2014/15, 2015/16 and 2016/17.

### **New Homes Bonus**

61. The government intends to maintain its commitment to continue the incentive for local authorities to deliver housing growth, and to do this future funding will be taken from the overall revenue spending review control total at a level to meet the full commitment of the scheme.
62. From 2013/14, for each of the seven years of the reset period, the government will be removing resources from the overall control total to meet their estimate of New Homes Bonus (NHB). NHB will be calculated in the same way, and any surplus resources will be returned to authorities at the same proportion as it was taken as a specific grant (New Homes Bonus adjustment). The total anticipated NHB in 2014/15 is £10.94m, which is an increase of £2.879m on the anticipated 2013/14 figure.
63. Essentially, from 2013/14 NHB is a revenue resource. Currently £1.5m of NHB is earmarked to the general fund, the remainder is used to fund capital. To assist in moving to a balanced budget for 2014/15 the increase in anticipated NHB will be applied directly to revenue and therefore the revenue contribution will be increased by £2.9m to a total of £4.4m.

### **Latest 2014/15 – 2016/17 indicative budgets**

64. The 2013/14 agreed by council assembly in February 2013 was the final year of a three year budget strategy. It is intended that 2014/15 will begin a further three year strategy.
65. The table below shows the 2013/14 budget, plus early indicative 2014/15 budget on the basis of a number of high level assumptions. These assumptions are explained in the footnotes, although these will need to be tested and revised as appropriate as the 2014/15 budget is constructed for approval by cabinet and by council assembly.

#### **Provisional Indicative budget for 2014/15**

|                                   | 2013/14 | Indicative<br>2014/15 |
|-----------------------------------|---------|-----------------------|
|                                   | £m      | £m                    |
| Previous year budget <sup>1</sup> | 341.2   | 334.0                 |
| Inflation <sup>2</sup>            | 4.0     | 3.8                   |
| Commitments <sup>3</sup>          | 9.6     | 1.5                   |
| Savings <sup>4</sup>              | (24.9)  | (1.1)                 |
| Social fund                       | (1.7)   |                       |

|   | 2013/14        | Indicative<br>2014/15 |
|---|----------------|-----------------------|
|   | £m             | £m                    |
| Net change in council tax freeze grant.               | 1.4            | 0.0                   |
| Fall out of contribution (from) / to balances         | 4.4            | 0.0                   |
| <b>Total Budget</b>                                   | <b>334.0</b>   | <b>338.2</b>          |
| <b>Funded by</b>                                      |                |                       |
| Start up funding allocation (SUFA) <sup>5</sup>       | (253.3)        | (228.9)               |
| Growth in NNDR <sup>6</sup>                           | 0.7            | (2.0)                 |
| Council tax <sup>7</sup>                              | (74.3)         | (75.2)                |
| Collection fund (surplus) / deficit <sup>8</sup>      | (0.9)          | -                     |
| Application of growth in new homes bonus <sup>9</sup> |                | (2.9)                 |
| <b>Total Funding</b>                                  | <b>(327.8)</b> | <b>(309.0)</b>        |
| <b>Budget shortfall</b>                               | <b>6.2</b>     | <b>29.2</b>           |
| Contribution (from) / to balances <sup>10</sup>       | (6.2)          | (6.2)                 |
| <b>Revised budget shortfall</b>                       | <b>0.0</b>     | <b>23.0</b>           |

Note 1 - 2012/13 budget (previous years budget for 2013/14) has been adjusted by £32.9m rolled in specific grants.(£341.2m = £308.2m + £33.0m)

Note 2 - Inflation Assumes a 1% pay award for 2014/15 (£1.6m), no general inflation, and a reducing level of contractual inflation of £2.2m.

Note 3 - commitments are an increase in concessionary fares at £0.5m and an increase in pension contributions of £1m

Note 4 - savings are £1.1m additional Tooley Street savings.

Note 5 - Assumes no change to the indicative 2014/15 funding reduction of £24.4m announced by the government as part of the 2013/14 settlement.

Note 6 - growth in retained share of NNDR of £2m

Note 7 - Assumes 0% increase in council tax, a 1% per annum increase in tax base giving £0.7m and a 0.25% increase in collection rate giving £0.2m

Note 8 - No estimate is currently available for 2013/14 collection fund (surplus) / deficit. This will be monitored through the year and reported as part of the quarterly revenue monitoring reports.

Note 9 - Application of an anticipated additional £2.9m new homes bonus in 2014/15 directly to revenue –rather than applying the additional funding to support the capital programme, as shown in paragraph 63

Note 10 – Use of £6.2m of balances as shown in paragraph 60

66. Although the council would seek to prepare an indicative three year budget, there are substantial uncertainties in predicting the level of resources available for 2015/16 and 2016/17.

67. Assumptions may be made about possible pay awards, contractual and general inflation, but these are in part based on predictions of future inflation rates so cannot be robust at this stage.

68. Indicative view is that there will be a reduction of between 2.5 and 3.5% in the start up funding allocation in for both 2015/16 and 2016/17.

69. Indicative view is that the council could plan on the basis of around 1% increase in the council tax base and 0.25% increase in council tax collection rates for 2015/16 and 2016/17. However monitoring in 2013/14 will be vital in testing the robustness of these assumptions. The full effects of the localisation of council tax benefits and other welfare reform changes are not yet fully manifest.

### Specific grants

70. In addition to Public Health Grant, New Homes Bonus and Council Tax Freeze grant, Southwark is still in receipt of a number of specific grants, although not at the same level as in previous years.

| Grant                               | Department | 2013/14<br>£m | Indicative<br>2014/15<br>£m | Variance<br>£m |
|-------------------------------------|------------|---------------|-----------------------------|----------------|
| PFI – Education                     | A&CS       | 4.414         | 4.414                       | 0.000          |
| Housing Benefit Subsidy Admin grant | F&CS       | 3.751         | 0.000                       | (3.751)        |
| PFI – Waste                         | E&L        | 2.776         | 2.776                       | 0.000          |
| Social Fund                         | Corporate  | 1.363         | 1.363                       | 0.000          |
| Social Fund administration          | Corporate  | 0.288         | 0.264                       | (0.024)        |
| Local Reform and Community Voices   | A&CS       | 0.275         | 0.284                       | 0.009          |
| Lead Local Flood Authorities        | Corporate  | 0.255         | 0.255                       | 0.000          |
| Council Tax Support – New Burdens   | F&CS       | 0.242         | 0.203                       | (0.039)        |
| <b>Total</b>                        |            | <b>13.364</b> | <b>9.559</b>                | <b>(3.805)</b> |

71. By far the biggest reduction in 2014/15 is the £3.8m loss of Housing Benefit Subsidy Admin grant following the transition from housing benefit to universal credit. This follows on from the £0.5m reduction in 2013/14 when council tax benefit administration was removed.
72. Increases and decreases in specific grants do not affect the overall funding total, but will have to be managed within departmental control totals, outside of the budget savings requirement exercise.

### Housing Revenue Account (HRA)

73. The draft HRA rent setting and budget report is planned to be presented to cabinet in December 2013, and the final report is planned to be presented in January 2014.

### Capital Programme

74. In July 2011, Council Assembly agreed the recommendations of the cabinet for a ten year general fund capital programme 2011-21 of £351m. This was refreshed and agreed by cabinet on 25 September 2012 to give a programme for 2012-22.
75. In October 2011 cabinet agreed a five year Housing Investment Programme to the value of £326m, and the 25 September 2012 report to cabinet reported forecast expenditure of £403m. This programme will be key in delivering the council's priority of ensuring all council homes are warm, dry and safe.

### Community impact statement

76. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Council Plan. As with the 2013/14 budget, each department will undertake equality analysis on its budget proposals.
77. Undertaking equality analysis will help the council to understand the potential effects that the budget proposals may have on different groups. The analysis will also consider if there may be any unintended consequences and about how these issues can be mitigated. Analysis will also be undertaken to consider any cross-cutting and organisation-wide impacts.
78. The equality analysis undertaken will build on previous analysis including the equality impact assessments carried out as part of 2013/14 budget setting and the equality analysis undertaken on decisions to implement the budget this year. The development of equality analysis will commence now to ensure that it informs decision making at each stage of the budget process.

### Consultation

79. This report lays out the initial financial remit for 2014/15 and asks officers to continue to work on budget options for a balanced budget in 2014/15 for presentation to the cabinet in the autumn of 2013, following a programme of public consultation over the summer.

### Next steps

80. Taking account of all the information contained in this report a further report will be presented to cabinet on 16 July, this will begin the public consultation process, with further reports to cabinet in September and October 2013.
81. The 22 October report will form the basis for a draft budget report to council assembly on 27 November 2013. However it is unlikely that the provisional 2014/15 finance settlement will have been announced in time for this to be included.
82. A further report will be presented to cabinet on 28 January 2014, following agreement of the 2014/15 tax base (Council Tax and NNDR) at council assembly, and receipt of at least a provisional settlement.
83. This will be in advance of the Overview and Scrutiny Committee meeting to discuss the budget proposals in February 2014. A full report will be presented to cabinet on 11 February 2014. The budget will be proposed to council assembly on 26 February 2014.
84. A timetable of scheduled meetings leading up to council tax setting on 26 February is shown below, as detailed on the forward plan.

|                   |         |   |
|-------------------|---------|---|
| 16 July 2013      | Cabinet | Policy and Resources Strategy 2013/14 - 2015/16 – revenue budget consultation         |
| 17 September 2012 | Cabinet | Policy and Resources Strategy 2013/14 - 2015/16 – revenue budget consultation outcome |

|                    |                                 |   |
|--------------------|---------------------------------|---|
| 22 October 2013    | Cabinet                         | Policy and Resources Strategy 2013/14 - 2015/16 – scene setting report and revenue budget options |
| October / November | Overview and Scrutiny Committee | To review the scene setting report  |
| 27 November 2013   | Council Assembly                | Draft 2014/15 budget<br>Council Tax Reduction Scheme  |
| 10 December 2013   | Cabinet                         | Policy and Resources Strategy 2014/15 - 2016/17: provisional settlement                           |
| 22 January 2014    | Council Assembly                | 2014/15 Council Tax Base and NNDR   |
| 28 January 2014    | Cabinet                         | Policy and Resources Strategy 2013/14-2015/16 revenue budget                                      |
| February 2014      | Overview and Scrutiny Committee | To review the draft revenue budget  |
| 11 February 2014   | Cabinet                         | Policy and Resources Strategy 2013/14-2015/16 revenue budget                                      |
| 26 February 2014   | Council Assembly                | Policy and Resources Strategy 2013/14-2015/16 revenue budget                                      |
| 26 February 2014   | Council Assembly                | Setting the Council Tax 2013/14   |

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

85. The constitution determines that cabinet consider decisions regarding the strategic aspects of the regulation and control of the council's finances. The council has a legal obligation to set a balanced budget on an annual basis as prescribed in the Local Government and Finance Act 1992 and associated Regulations. The issues contained in this report will assist in the future discharge of that obligation.
86. The council is required under section 149 of the Equality Act 2010 to have due regard to the need to:
- Eliminate unlawful discrimination harassment and victimisation
  - Advance equality of opportunity between people who share protected characteristics and those who do not
  - Foster goods relations between people who share protected characteristics and those who do not.
87. Decision makers must understand the effect of policies practices and decisions on people with protected characteristics.
88. Equality impact assessments are the mechanism by which the council considers these effects. The report author at paragraphs 57 to 59 sets out how it is proposed equality impact assessments will be undertaken in relation to the budget proposals.

89. It is essential that cabinet give due regard to the council's duty under the Equality Act 2010 and the implications for protected groups in the context of that duty in relation to this decision and future decisions on the budget proposals.

## BACKGROUND DOCUMENTS

| Background Papers   | Held At                             | Contact   |
|---|-------------------------------------|---|
| Policy and Resources 2013/14 to 2015/16: cabinet 12/02/2013 | 160 Tooley Street<br>London SE1 2QH | <a href="http://modern.gov.southwark.gov.uk/documents/s35390/Report%20Policy%20and%20Resources%20201314%20to%20201516.pdf">http://modern.gov.southwark.gov.uk/documents/s35390/Report%20Policy%20and%20Resources%20201314%20to%20201516.pdf</a> |

## APPENDICES

| No:  | Title |
|------|-------|
| None |       |

## AUDIT TRAIL

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet member</b>   | Cllr Richard Livingstone, Finance Resources and Community Safety     |                          |
| <b>Lead officer</b>   | Duncan Whitfield, Strategic Director of Finance & Corporate Services |                          |
| <b>Report author</b>  | Jennifer Seeley, Deputy Finance Director                             |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 17 June 2013   |                          |
| <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                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to constitutional team</b>                    |  | 17 June 2013             |



|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>11.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013                    | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Fairer Future Annual Performance Report 2012/13 |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All   |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Peter John, Leader of the Council    |                                 |

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

The council's vision for the borough is a fairer future for all in Southwark. In 2011 the council made ten promises, aimed at establishing Southwark as a fairer place to live, where all residents have the opportunity to fulfil their potential. This report provides a full end of year update of how the council is delivering on our Fairer Future promises.

Underpinning our vision is a determination to treat residents as if they were members of our family and to spend every penny wisely, as if it were our own. Although we are under increasing pressure to deliver more with less, we remain committed to ensuring all residents, businesses, and voluntary and community sector groups can make the most of the many good opportunities in the heart of London that our borough of Southwark has to offer.

These continue to be difficult times for residents and businesses within Southwark are facing tremendous challenges. As a council, we want to be on your side through this. In the year ahead we will continue to support our most vulnerable residents and treat all people fairly. We will champion improved educational attainment for our children, maintain modern library services and work towards a cleaner, safer borough for everyone.

While consulting widely on plans for the borough's future housing needs, we remain committed to making the investment needed to ensure all our council housing is warm, dry and safe. We will continue to promote healthy living among residents and ensure that the regeneration across Southwark brings sustainable benefits for the community.

We will also continue to improve our customer services whilst moving towards more modern ways of working, streamlining our management and retaining an able, committed workforce focused on delivering better value for money services. As we enter 2013/14 our Fairer Future for All promises will continue to drive our commitment to improve the quality of life for people who live, work and volunteer in Southwark.

### **RECOMMENDATIONS**

That cabinet:

1. Notes progress in 2012/13 against the ten fairer future promises and portfolio performance objectives in the Council Plan.
2. Agrees the Council Plan's cabinet member portfolio objectives and targets for 2013/14 (see Appendix 1).

3. Recommends that Council Assembly agrees the Council Plan's cabinet member portfolio objectives and targets for 2013/14 (see Appendix 1).

## **BACKGROUND INFORMATION**

4. On 6 July 2011 council assembly approved a new Council Plan. This set out how the council would seek to achieve its Fairer Future for All vision, in an environment of significantly reduced funding specifically to the council and to the wider public sector. Ten fairer future promises were agreed with a further set of objectives outlined in performance schedules for each cabinet member portfolio area.
5. Following engagement with local people through the council's budget process, the council plan identified a number of principles that now underpin our Fairer Future for all vision and guide the promises and objectives that we agreed through the Council Plan. The Fairer Future principles were updated to the following:
  - Treating residents as we would wish members of our own families to be treated.
  - Being open, honest and accountable.
  - Spending money as if it were coming from our own pocket.
  - Working for everyone to realise their potential.
  - Making Southwark a place to be proud of.
6. The Council Plan placed local needs and accountability as the drivers of the council's performance improvement. Over 2010/11 a number of changes were made to the performance monitoring and reporting requirements of the council by central government. These included abolition of the national indicator set and the end of the requirement for local area agreements. The council therefore had greater flexibility in developing a plan that addressed local priorities.
7. At the heart of the Council Plan are the council's ten Fairer Future promises. The focus on ten key promises is recognition that in times of reduced funding, we need to priorities our resources on areas where we can meet our vision, and achieve the maximum benefit. The present ten Fairer Future promises are:

Promise 1 - "Provide improved value for money and keep council tax increases below inflation"

Promise 2 - "Work with residents and the police to make the borough safer for all by cracking down on antisocial behaviour and implementing our new violent crime strategy"

Promise 3 - "Deliver the first three years of our five year plan to make every council home warm, dry and safe".

Promise 4 - "Improve our customer service with more online services, including delivery of a better housing repairs service, independently verified by tenants".

Promise 5 - "Introduce free healthy school meals for all primary school pupils, and champion improved educational attainment for our borough's children".

Promise 6 - "Support vulnerable people to live independent, safe and healthy lives by giving them more choice and control over their care".

Promise 7 - "Encourage healthy lifestyles by transforming Burgess Park, opening a new swimming pool at Elephant and Castle and awarding £2m to local projects to leave a lasting Olympic legacy".

Promise 8 - "Open Canada Water library in autumn 2011, open a library in Camberwell and conduct a thorough review of the library service".

Promise 9 - "Bring the full benefits and opportunities of regeneration to all Southwark's residents and build new family homes on the Aylesbury Estate and at Elephant and Castle".

Promise 10 - "Double recycling rates from 20 per cent to 40 per cent by 2014 and keep our streets clean".

8. During the year the council has monitored performance against the ten promises and objectives in the council plan, with performance data reviewed on a quarterly basis. A Fairer Future Interim Performance report was presented to cabinet on 29 January 2013 to note progress made over the first six months of 2012/13, the second year of the Council Plan.
9. This annual performance report provides a year end summary of progress over the twelve months of 2012/13 against the ten promises and cabinet member performance objectives. In line with our fairer future principle of being open, honest and accountable, it is available on the council's website.

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

10. The Fairer Future Annual Performance Report in Appendix 1 outlines what we have delivered in 2012/13, in line with our Fairer Future principals, and against the promises and objectives we have set out.
11. Strong progress has been made across the fairer future promises over 2012/13. This includes protecting households by freezing council tax, putting in place measures that have helped reduce violent crime related offences, rolling out our free healthy school meals programme to years 2 to 4, delivering personal budgets to 100% of eligible users and completing our revitalisation of Burgess Park. A full update on progress against the Fairer Future promises is outlined in full in Appendix 1.
12. The Fairer Future Annual Performance Report 2012/13 also confirms our objectives and targets for 2013/14. In line with our Approach to Equality and public sector equality duties the report also outlines our commitment to equality through the confirmation of our equality objectives.

#### **Community impact statement**

13. The purpose of this report is for cabinet to note progress in 2012/13 against the promises and objectives agreed in the Council Plan and the 2011/12 Council Plan Annual Performance Report. No specific equality analysis has been undertaken on this report on performance as there are no impacts arising from the report itself. Future decisions made on the basis of the performance highlighted by this report may require equality analysis to be undertaken and

more detailed consideration of the impact on local people and communities as appropriate. The Forum for Equalities and Human Rights in Southwark's Equality and Human Rights Panel has been engaged on the council's equality objectives and its feedback and been taken into consideration in proposing the equality objectives for 2013/14.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

14. It was previously a requirement for local authorities to publish a best value performance plan. The Local Government and Public Involvement in Health Act 2007 removed the powers of the Secretary of State to specify performance indicators and standards for local authorities, the duty on authorities to meet such standards and to publish best value performance plans. However, a local authority is still under a general duty of best value to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The Council Plan is one of the ways the council can demonstrate that it is achieving this requirement.
15. Any updates that cabinet agrees to the Council Plan targets will then need to be adopted by Council Assembly as it approved the new Council Plan in July 2011 including the original targets.
16. No specific equality analysis has been undertaken for this report as there are no impacts on the community arising from the report itself, but 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 future deliberations and conclusions.

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

17. This report notes progress in 2012/13 against the ten fairer future promises and portfolio performance objectives in the council plan. It outlines portfolio objectives for 2013/14.
18. The strategic director of finance and corporate services notes that there are no new financial implications as a result of accepting the recommendations of this report. The costs of the objectives have been assumed in the council's 2013/14 budget and progress will be periodically reported to cabinet throughout the financial year.

**BACKGROUND DOCUMENTS**

| <b>Background Papers</b>  | <b>Held At</b>                       | <b>Contact</b>                                  |
|---|--------------------------------------|---|
| Response to the Equality and Human Rights Panel.<br>The document is available to view on this web page:<br><a href="http://www.southwark.gov.uk/info/200342/council_plan">http://www.southwark.gov.uk/info/200342/council_plan</a>  | 160 Tooley Street<br>London, SE1 2QH | Chima Amiaka –<br>chima.amiaka@southwark.gov.uk |
| Fairer Future Interim performance Report 2012/13<br><a href="http://moderngov.southwark.gov.uk/documents/s34816/Report%20Fairer%20Future%20Interim%20Performance%20Report.pdf">http://moderngov.southwark.gov.uk/documents/s34816/Report%20Fairer%20Future%20Interim%20Performance%20Report.pdf</a> | 160 Tooley Street<br>London, SE1 2QH | Alex Irvine –<br>alex.irvine@southwark.gov.uk   |
| Council Plan Annual Performance Report 2011/12<br><a href="http://www.southwark.gov.uk/info/200342/council_plan">http://www.southwark.gov.uk/info/200342/council_plan</a>   | 160 Tooley Street<br>London, SE1 2QH | Alex Irvine –<br>alex.irvine@southwark.gov.uk   |
| Council Plan 2011-14<br><a href="http://www.southwark.gov.uk/info/200342/council_plan">http://www.southwark.gov.uk/info/200342/council_plan</a>   | 160 Tooley Street<br>London, SE1 2QH | Alex Irvine –<br>alex.irvine@southwark.gov.uk   |

**APPENDICES**

| <b>No.</b> | <b>Title</b>  |
|------------|---|
| Appendix 1 | Fairer Future Annual Performance Report 2012/13. (Circulated separately and available to view on the council's web site.) |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Peter John, Leader of the Council |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive               |                          |
| <b>Report Author</b>  | Chima Amiaka, Senior Strategy Officer        |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 13 June 2013                                 |                          |
| <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                      |
| <b>Leader of the Council</b>  | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 13 June 2013                                 |                          |

|                                    |                               |   |                                 |
|------------------------------------|-------------------------------|---|---------------------------------|
| <b>Item No.</b><br>12.             | <b>Classification</b><br>Open | <b>Date:</b><br>26 June 2013  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                               | Response to Scrutiny Report into Access to Maternal Health and Early Years Services for the Gypsy and Traveller Communities |                                 |
| <b>Ward(s) or groups affected:</b> |                               | All   |                                 |
| <b>Cabinet Member:</b>             |                               | Councillor Peter John, Leader of the Council  |                                 |

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

This council is committed to improving the health of the borough, and that means reaching across the full range of communities who call Southwark home. We take our responsibility to gypsy and traveller communities seriously and play our part in ensuring that members of these communities are able to access the services they need to improve health and ensure that in the early years, all children are given the best start in life.

I pay tribute to the work of the health and adult social care, communities and citizenship scrutiny sub-committee and the work of the overview and scrutiny committee in bringing these recommendations to cabinet. I hope that this report will reassure both the committee and sub-committee that the council is already working across these issues, and I am pleased that the report will compliment this work going forward.

### **RECOMMENDATION**

That cabinet:

1. Note and agree the response to the recommendations of both the overview and scrutiny committee and health, adult social care, communities and citizenship sub-committee on services for the gypsy and traveller communities.

### **BACKGROUND INFORMATION**

#### **Health, Adult Social Care, Communities and Citizenship Scrutiny sub-committee**

2. The health, adult social care, communities and citizenship scrutiny sub-committee conducted a review of access to maternal health and early years services for the gypsy and traveller communities in Southwark. It reported its recommendations to overview and scrutiny on 11 March 2013. Overview and scrutiny committee subsequently added two additional recommendations to the report that went to cabinet on 16 April 2013. Cabinet agreed that the recommendations be noted and that all relevant cabinet members bring back a report to cabinet in order to respond to the recommendations within eight weeks.

#### **Report summary**

3. The review formed part of a wider review of public health undertaken by the scrutiny sub-committee through the year, looking into health inequalities suffered

by marginalised communities. The sub-committee chose this focus for two reasons: to link the initiative with priorities identified by the Marmot review and the evidence that significant maternal and early years' health inequalities is experienced by Travellers and gypsies.

4. Evidence submitted to the review included responses from Southwark Travellers Action Group (STAG), and notes collated from mini stakeholder and consultation events attended by a range of stakeholders.
5. The original scrutiny sub-committee report identified 15 recommendations, many of which are already being addressed by the council. Overview and scrutiny then added a further two recommendations to the report. This report contains a response to each of the recommendations.

### **Response to recommendations**

6. The original scrutiny report and its recommendations complement ongoing work within the council to co-ordinate activity undertaken by services in respect of the gypsy and traveller community.

### **KEY ISSUES FOR CONSIDERATION**

#### **Recommendations from OSC and sub-committee/response**

7. Both scrutiny committees made a total of 17 recommendations, to which responses, grouped by theme, are set out below.

#### **Early years**

8. **Recommendation 1 (Sub-committee):** Nell Gwyn Nursery School and East Peckham Children's Centre to work, with the support of STAG, to restart a dedicated session for traveller parents and children. This will focus on improving access to children's centres activities, nursery school (Early Years offer), antenatal care, health and social care (such as weaning, parenting skills, immunisation etc).
9. **Recommendation 10 (Sub-Committee):** The proposed parent and child group at Nell Gwyn to include sexual health sessions for parents.
10. **Recommendation 11 (Sub-Committee):** Breast-feeding, weaning and obesity are raised at the proposed parent and child group at Nell Gwyn.
11. **Response:** A weekly traveller parent and toddler group, based at Leyton Square and run by Nell Gwyn Nursery School, started up on 16 April 2013. Early year's officers engaged with Scrutiny throughout the review and have begun initial conversations with Nell Gwyn Nursery School following publication of the review in order to signpost to information and provide support around possible content of future sessions.

#### **Health**

12. **Recommendation 4 (Sub-Committee):** Public Health to work with STAG to improve access to doctors' practices by providing information and support.



13. **Recommendation 5 (Sub-Committee):** Southwark Clinical Commissioning / Public Health / STAG to develop a training programme for health professionals to understand the needs of the gypsy and traveller communities in Southwark.
14. **Recommendation 9 (Sub-Committee):** Smoking cessation courses are offered to travellers.
15. **Response:** The council's Public Health team have recently obtained information from the Patient Advice and Liaison Service (PALS) regarding GP practices serving the areas where there are traveller sites and provided this information to STAG, alongside suggestions as to alternative practices should people wish to register with a new GP.

The council is able to provide information to support travellers make informed choices, however it is important that travellers inform NHS Southwark CCG if they have concerns regarding access or other issues relating to GP services. This can be done via STAG or directly to the CCG.

The council's Public Health team has also recently commissioned a review to provide an understanding of the range of issues that can result in mental and physical health problems for travellers. Following the outcome of this review the council will be able to consider what if any additional support for health professionals might be required, alongside the extensive training and development packages already in place. When considering any new training programme the sustainability and the link and similarities to other existing programmes must also be considered.

The council currently has in place a smoking cessation team, which has an ongoing relationship with a range of different communities across Southwark to offer smoking cessation support. As well as work across all communities in Southwark, the team has also provided smoking cessation materials and a dedicated Southwark phone line to STAG for further dissemination to the gypsy and traveller community. A smoking cessation counsellor has also visited Nell Gwyn Nursery in April 2013, to provide information and consider ways of working together in the future.

### **Domestic Violence**

16. **Recommendation 3 (Sub-committee):** Community Safety & SOLACE to work with STAG to improve access and referrals to the domestic abuse service (including MARAC referrals where appropriate) and to minimise STAG involvement in the handling of domestic abuse cases.
17. **Response:** Community Safety officers have provided information and advice on all of the Council's commissioned domestic abuse support services (Southwark advocacy and Support Service – SASS – delivered by solace Women's Aid) to STAG, including the support they offer for victims, children and perpetrators and how to make referrals. SASS is also planning an outreach event with STAG in June 2013.

STAG were also recently provided with details of a half day domestic abuse awareness training session which participants could attend free of charge.

In addition, the council's domestic abuse multi-agency risk assessment conference (MARAC) coordinator is in the process of arranging a meeting with

Solace Traveller specialist, IDVA, to explore how partners can raise awareness of the existence of MARAC and related services within the traveller community.

### Safeguarding

18. **Recommendation 6 (Sub-committee):** Social Services and Community Safety to organise and hold a session for the traveller community in Southwark on their safeguarding role and explain how referrals work, ensuring that accurate information is given and myths dealt with.
19. **Recommendation 8 (Sub-committee):** That the importance of confidentiality in child protection is emphasised with all Social Workers on all occasions.
20. **Response:** It is good practice in child protection to appropriately share information about children and families with other agencies where the child is known or suspected to be at risk of significant harm. The council has detailed information sharing protocols in place with partner agencies to that effect and holds regular multi-agency strategy meetings and conferences to consider the welfare of children at risk.

The council also has very detailed procedures around confidentiality of information received and how to ensure that confidential documents are not lost or inappropriately shared. These are based on the Caldicott principles, which are the principles that all health and social care organisations should use when reviewing its use of client information. These principles are set out below:

- Justify the purpose(s)
- Do not use personally identifiable information unless it is absolutely necessary
- Use the minimum personally identifiable information
- Access to personally identifiable information should be on a strict need to know basis
- Everyone should be aware of their responsibilities
- Understand and comply with the law.

Council officers continue to work directly with traveller parents and those parents to assist them to understand social services and give information, signposting and dealing with any myths. The council is also supporting professionals working with traveller communities, particularly around safeguarding and common assessment framework (CAF) referrals. There are plans for a meeting with traveller women in June 2013 to discuss safeguarding, whilst sessions for professionals on safeguarding and CAF referral thresholds are due to start over the coming months.

### Economic wellbeing

21. **Recommendation 12 (Sub-committee):** STAG proposals on improving employment support are implemented; where feasible.
22. **Response:** The council, Southwark Works and STAG met in March 2013 to discuss the issues and barriers to employment typical within the Traveller community in Southwark. One of the main challenges emerging from that meeting was a lack of awareness of existing services and the difficulty that employment support and training providers have in engaging with travellers.

STAG clearly play a significant role and a logical approach was agreed whereby they should be the intermediary through which information on employment and training opportunities could be better communicated.

Through the Scrutiny review and also at the meeting in March a number of specific options were identified for targeting particular employment opportunities in driving, construction, childcare and hair and beauty. This is now taking place through the maintenance of links between STAG and Southwark Works and which has also been widened to include other employment and training providers. All vacancies received by Southwark Works from local employers are now shared with STAG, and a number of referrals have since been made by STAG to Southwark Works.

The council will continue to work with STAG to share information and explore better ways of engaging with and encouraging participation in available support from Travellers in Southwark.

### **Gypsy and Traveller sites**

23. **Recommendation 1 (OSC):** In view of overcrowding on sites that it be recommended that the consultation due to be launched into the future of housing provision in the borough include future provision for gypsy and traveller sites and that these groups be formally consulted.
24. **Recommendation 13 (Sub-Committee):** The consultation that is due to be launched into the future of housing provision in the borough should include future provision for gypsy and traveller sites and these groups should be consulted.
25. **Response:** The Community Conversation based on the outcomes of the Housing Commission report is currently taking place across Southwark and is open for all residents in the borough to respond to. The consultation has taken place in a wide variety of locations and gypsies and travellers are able to submit their views through these mechanisms. STAG has been asked to respond to this consultation.

At present the council has four gypsy and traveller sites within the borough, home to 38 pitches. The Core Strategy planning document safeguards all four sites and sets out criteria for identifying new sites. Southwark has the fourth largest amount of sites of any London borough and the largest of any of the inner London boroughs. Three of the sites have already been refurbished and improved and the fourth site at Springtide has planning permission for improvements.

In terms of future site provision for gypsies and travellers, opinions emerged during the recent consultation undertaken by Housing Operations in relation to the new pitch agreement for council gypsy and traveller sites. Following on from discussions with STAG these opinions have been fed into the appropriate channels in the council. Consultation on the needs of gypsies and travellers, to be used to inform policy in this area, will be organised separately and timescales for this consultation will be discussed at the next gypsy and traveller officer group in early June. It is anticipated that consultation will be concluded by the end of July 2013, with the outcomes from the consultation reported back in the autumn.

In addition, the Department for Communities and Local Government document "Planning policy for traveller sites" was adopted in 2012 and requires boroughs to use evidence to establish accommodation needs. The document requires boroughs to identify a supply of sites, based on an identified need, and in consultation with their neighbouring boroughs, through the preparation of their Local Plan. The council is already in consultation with neighbouring boroughs and will begin preparing a Local Plan, called the New Southwark Plan, and a new Housing Strategy, following the outcomes of the Housing Commission consultation, later in 2013. Any forthcoming consultation with the gypsy and traveller community will therefore be used to support the development of both the new Local Plan, and the new Housing Strategy.

### **Engagement with the gypsy and traveller community**

26. **Recommendation 2 (Sub-Committee):** Pilgrims Way Children's Centre to nominate a dedicated officer to build outreach links with the gypsy and traveller community to improve access to Children's Centre activities and Nursery Schools.
27. **Recommendation 7 (Sub-Committee):** Social Services and Community Safety to identify lead officers to work with the traveller community in Southwark. These officers should be appropriately trained and understand issues such as health and safety on site. This will enable relationships to be established and promote better understanding between all parties.
28. **Recommendation 14 (Sub-Committee):** The council develops an over-arching framework for engagement with, and providing services for, the gypsy and traveller communities in Southwark.
29. **Response:** In December 2012 cabinet approved 'a future approach to community engagement' for the council. This set out the principles and the vision for engagement across the whole of the community. The report committed to further exploring these principles through the engagement on the Housing Commission report, with officers reporting back to cabinet in July 2013 on the effectiveness of the new approach to community engagement.

Southwark has a dedicated traveller officer, who works within Housing services to specifically manage the four traveller sites in the borough. In addition to this, the council has recently established a Gypsies and Travellers Officers' working group, which includes representation from across the council of officers involved in service delivery to Gypsies and Travellers, including public health, early years, community safety and housing. The aim of the group is to ensure we work together to provide a coherent service offer to Gypsies and Travellers, including in relation to engagement and consultation. The officers also provide a single point of contact for Gypsies and Travellers in their service area.

Specifically at Pilgrims' Way Children Centre, they have recently appointed a Family Support Worker who has begun to draw up an action plan of how the Centre can engage with the gypsy and traveller community. Early year's staff are supporting the Children's Centre with advice and guidance on their service provision as well as specific work to better link the Family Support Worker with the four traveller sites in the borough.

## **Funding to STAG**

30. **Recommendation 2 (OSC) and recommendation 15 (Sub-Committee):** That cabinet explores funding for Southwark Travellers Action Group so that they can maintain their services; the committee firmly believes that the services provided by STAG save the council money.
31. **Response:** The council provided some funding to STAG through the Safer Southwark Partnership Small Grants Programme during 2012/13, in order to develop a specific programme for young Travellers to attend a domestic abuse workshop, a road safety workshop, as well as carrying out a number of volunteering hours in the community in return for driving lessons.

The council provides support for Southwark's diverse communities and builds capacity within the voluntary sector through the Community Capacity Programme. Funding applications for 2014/15 are anticipated to open towards the end of 2013 calendar year. STAG are able to apply for funding through this fund, whilst the council's voluntary sector team in community engagement can provide additional advice on further funding opportunities through the year.

## **Community impact statement**

32. The council has a duty under the Human Rights Act 1998 to 'facilitate the gypsy way of life' in relation to ethnic gypsies. The measures being undertaken by the council in response to the Scrutiny report are based on providing clear, accessible information, and appropriate advice and guidance to the gypsy and traveller community. Through this approach the council is helping to facilitate the gypsy and traveller way of life whilst ensuring appropriate access to council services.
33. The council is required under the Equality Act 2010 to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations, as regards persons with certain "protected characteristics". These characteristics include race, pregnancy and maternity, and sex. The measures set out in the report demonstrate that the council is taking active steps to mitigate the many disadvantages experienced by gypsies and travellers, and improve their opportunities and engagement with the settled community.

## **Resource implications**

34. No additional resources are being requested to deliver the recommendations or actions noted in this report.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

35. The council does not have a legal obligation to provide sites for gypsies and travellers. The council is required, pursuant to section 8 of the Housing Act 1985, periodically to review the needs of the district with respect to the provision of further housing accommodation, and is obliged to assess the needs of gypsies and travellers when undertaking such a review (section 225(1) of the Housing Act 2004).

36. The Department for Communities and Local Government document "Planning policy for traveller sites" was issued in March 2012 and must be taken into account in the preparation of development plans (Sections 19(2)(a) and 38(6) of the Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990). The policy requires boroughs to use evidence to establish gypsies' and travellers' likely accommodation needs, and set pitch targets accordingly, working collaboratively with neighbouring local planning authorities, in the course of the preparation of their Local Plan. Consultation on the council's Local Plan is expected to begin later this year.
37. The consultation referred to in section 25 of the report will assist the council in gathering the necessary evidence to inform its housing and planning strategies.

#### **Strategic Director of Finance and Corporate Services (FC13/037)**

38. The strategic director of finance and corporate services notes the responses to scrutiny recommendations contained in this report. All financial implications directly arising can be contained within existing revenue budgets.

#### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b>  | <b>Held At</b>                       | <b>Contact</b>                 |
|---|--------------------------------------|--------------------------------|
| Access to Maternal Health and Early Years Services for the Gypsy and Traveller Communities<br><br><a href="http://moderngov.southwark.gov.uk/documents/s36849/Report%20Access%20to%20Maternal%20Health%20and%20Early%20Years%20Services%20for%20the%20Gypsy%20and%20Traveller%20Communities.pdf">http://moderngov.southwark.gov.uk/documents/s36849/Report%20Access%20to%20Maternal%20Health%20and%20Early%20Years%20Services%20for%20the%20Gypsy%20and%20Traveller%20Communities.pdf</a> | 160 Tooley Street,<br>London SE1 2QH | Scrutiny Team<br>020 7525 0514 |

#### **APPENDICES**

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

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Peter John, Leader of the Council                         |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive                                       |                          |
| <b>Report Author</b>  | Simon Chambers, Principal Executive Assistant to the Chief Executive |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 13 June 2013   |                          |
| <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</b>                         |  | 13 June 2013             |

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>13.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Response to the Overview & Scrutiny Committee - Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee review of TRA Halls and Communal Rooms |                                 |
| <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**

At their best our Tenants & Residents Association Halls play a major role in strengthening their local community, providing spaces that host a wide range of activities for young and old. They provide public spaces where people come together to meet their neighbours and work together for the benefit of the wider community.

Getting people involved in the management and running of local community buildings can lead to people having a greater sense of pride in and responsibility for their local community. The best are managed by people with real commitment, many of whom bring years of experience and skills to the task. They can and do play a vital role in strengthening local communities.

I am delighted to present the recommendations of the Scrutiny Sub-committee together with the actions the Housing & Community Services Department has taken to date in realising them. I support and endorse the recommendations and actions as they are a significant step in improving our management of these facilities for the future.

This report is a timely and welcome contribution to the work we are doing to strengthen and broaden the involvement of our residents. In the past their management across the borough was too often inconsistent and not accountable to the wider community. The actions set out in this report are designed to address the weaknesses of the past and to ensure that the community facilities that we support are sustainable into the future. We want our community halls to be fit for purpose, accessible, consistently well managed and well-used for the widest possible range of community activity as part of a strategic and fairer approach to the wider provision of community buildings across the borough.

**RECOMMENDATIONS**

1. That Cabinet note and agree the response to the Housing, Environment, Transport and Community Safety Scrutiny Sub-committee’s investigation into TRA Halls and Communal Rooms.
2. That Cabinet note the additional activity being undertaken to improve the service.



## REPORT SUMMARY

3. The sub-committee published its findings on TRA Halls and Communal Rooms in a report in April 2013 that made 14 key recommendations.
4. Officers welcomed this review of our approach to managing TRA Halls and Communal Rooms. The recommendations complement the housing and community services' department's work on strengthening the involvement of our residents and improving the management of community buildings.
5. All of the recommendations made by the sub-committee have been accepted by the housing and community services department. This report contains a detailed response to each of the recommendations and a summary action plan is included in Appendix 1.

## BACKGROUND INFORMATION

6. At its meeting on 11 March 2013 the Overview & Scrutiny Committee agreed to submit a report from the Housing, Environment, Transport & Community Safety scrutiny sub-committee on TRA Halls and Communal Rooms to Cabinet.
7. This report was considered by Cabinet on 16 April 2013 where it was resolved that the recommendations of the review of Tenants and Resident Association (TRA) halls and communal rooms be noted, and that the deputy leader and Cabinet member for housing management bring back a report to Cabinet, in order to respond to the Overview and Scrutiny Committee, within eight weeks.
8. There are some 113 halls and community facilities within the housing portfolio ranging from converted small rooms on estates to large purpose built facilities. The portfolio is made up of 50 larger halls and 60 small halls/meeting rooms. This figure includes four TMO offices, six halls that are closed and two halls on the Heygate Estate that have temporary use pending demolition.
9. There have been a number of reviews of TRA halls carried out over the last 10 years which have considered the management arrangements, rent policy, usage and value of the asset to the wider community.
10. Despite this work the management of the portfolio remained inconsistent and in some cases facilities were in a poor state of repair due to the lack of investment and a strategic approach to managing the portfolio. The distribution of the facilities across the borough is not even and not every estate has a hall.
11. Over the last 2 years significant work has been undertaken and is continuing on compliance and Fire Risk assessment to ensure that these are fully addressed in the future.
12. Most of the properties are in exclusive occupation of TRA Management Committees and other community groups with a wide range of agreements in place including licenses, leases (where these exist they are with incorporated bodies), tenancies at will, sub-lets and in some cases no formal arrangement in place at all. In the past there was no comprehensive picture of the financial value of the support the council gives to TRAs managing halls and to the wider community through its property estate, or of the suitability and upkeep of the properties.

13. Currently rent is charged on 53 of the 113 halls. In 2010/2011 the income generated totalled £47k. Where rent is charged on a hall this would normally be reviewed annually as part of the fees and charges report to the Cabinet member for Housing.
14. In the past procedures for managing the portfolio were inadequate. Collection and maintenance of management information was poor with inadequate arrangements for checks on aspects of their management and condition. At times this was over reliant on voluntary submission of information rather than proactive checking by the council.
15. In the majority of cases TRAs have the responsibility for day-to-day management of the properties. While some are clearly well managed others need support in ensuring that premises are accessible and that their Management Committee is accountable. As a result, a Tenants Halls Working Party was set up to agree a model set of terms of hire and other key documents backed by a training programme for halls managers.
16. A very small number of TRAs make a profit by operating a bar. Opinions are mixed on whether this is appropriate at all. The key issue is that bars should not deter other users of what are community premises and public money should not subsidise them. Where bars are in place there should be proper arrangements in place for their management.

### **Activities in the Last Two Years**

17. As noted above there has been significant activity in the past 2 years to address the current weaknesses in the way TRA halls have been managed with work across the Housing Department to bring a better co-ordinated management strategy to the portfolio. This is being co-ordinated centrally by the Community Engagement Team.
18. It has been agreed that Engineering Services will manage a compliance regime for the key services and utilities including electrical testing, gas checks, water system management and asbestos management.
19. The compliance team will work with Community Engagement to develop tailored training and advice for TRAs Management Committees on their responsibilities in managing buildings used by the community in relation to health and safety.
20. The Repairs Team has agreed to manage the day to day repairs of the halls and the Investment team has agreed to manage planned preventative maintenance and capital investment programmes that are now underway.
21. A comprehensive database of halls with their contact details for lettings is being developed and the Community Engagement team is working on new governance and strategic management arrangements to ensure effective and consistent management across the portfolio. There are plans to link this information with the 'In my area' part of the council website, allowing residents to identify halls for hire in their area.
22. The aim for the future is to unify the management of TRA halls and the VCS estate under one portfolio. This will enable opportunities for shared use of these premises through mutually agreeable arrangements which benefit both TRA's and voluntary organisations and potentially maximise community use.

23. A capital sum of £2.1 million has been established for the hall portfolio within the Housing Investment 5-year programme. A dedicated repairs and maintenance budget of £500k per annum has also been set up. £200k of this has been added to the capital sum over the next 5 years to address the history of lack of investment more quickly. This gives a total capital investment of £3.1 million over the next five years.
24. A detailed stock condition survey has been undertaken to inform the investment programme. The purpose of the survey was to:
- Assess each building and recommend the works required to meet current fire standards.
  - Assess each building and recommend works required to meet current DDA standards.
  - Assess the general level of dilapidation within each building and recommend works to rectify any defects noted.
25. This survey will inform investment priorities and options appraisal. The main issue this has highlighted are:
- In many cases access arrangements are poor and there are difficulties with improving access for people with disabilities.
  - In a few cases there are difficult and expensive works required in relation to Fire Risk
  - High levels of investment are required to make all the properties fit for purpose.
  - There is an uneven geographical spread and variations in actual and potential community use.
  - The total estimated cost of works in the survey is manageable within the £3.1million of capital investment that is available over the next 5 years.
26. A compliance regime is in place as set out below:

| <b>Activity</b>  | <b>Current Arrangements</b>   |
|--|---|
| <b>Water Management</b>  |   |
| Survey of water systems & immediate high priority remedial works | Works complete. Annual inspection and maintenance now incorporated into existing R&M contract.      |
| Water system flushing  | Sites subject to flushing regime reduced as water works carried out.                                |
| <b>Electrical</b>  |   |
| PAT testing asset register of all portable appliances.           | Complete with asset register. Contract procured for future PAT and electrical installation testing. |
| Testing of electrical installations                              | Complete with asset register. Contract procured for future PAT and electrical installation testing. |
| <b>Fire</b>  |   |
| Equipment – extinguishers, blankets, signage etc.                | Complete and annual inspection and maintenance incorporated into existing contract                  |

|   |  |
|---|--|
| Fire alarms, emergency lighting systems | Fire risk assessments currently under annual review. Resulting works to be progressed through major works contract.              |
| Fire doors - renewal                    | Incorporated into major works contract   |
| Fire risk assessments                   | Annual review taking place   |
| <b>Gas</b>                              |  |
| Gas safety checks (annual servicing)    | Annual inspection completed with halls having current gas certificates. Contract in place for annual inspection and maintenance. |

27. A benchmarking exercise was carried out with other local authorities that demonstrated that:
- Southwark has an average ratio of facilities for residents but this is unevenly distributed so in some areas there is under-provision while in others there is very generous provision.
  - Westminster and Enfield have fully complied with good practice in disabled access requirements while other authorities have work yet to do on this but have costed strategies in place.
  - No authority yet charges market rents although some are currently considering this approach.
  - Sheffield and Islington have charging guidelines for 3<sup>rd</sup> party users.
  - Arrangements for paying insurance, utilities, costs of caretaking and opening and closing vary widely between authorities.
  - Not all authorities have done work on maximising community use of the portfolio.
  - Some authorities are more proactive in tackling obstacles to increased use. Islington for example pay for insurance and staff work with hall committees to obtain funding and negotiate on behalf of groups to wider access to premises.
  - Sheffield, Islington and Westminster regularly monitor levels and types of use, users and financial accounts.
  - In most authorities TRAs retain income raised. Enfield and Islington require a contribution back to the HRA.
  - Islington has joint management boards made up of mixed groups of users (not just TRAs) for each of their premises depending on location and suitability for general usage.
  - Direct management of premises by councils has been universally rejected mainly because this is a very expensive option.
  - It took Westminster and Islington between 18 months and 2 years to deliver changes to the overall management of their premises.
  - Strong management and member support is critical for change.
28. A working party of tenants and leaseholders has been established that is meeting regularly as a consultative body on the management arrangements and to set future aims, priorities and policy objectives.
29. The approach has been to place the halls into a wider context of community engagement by making the most of opportunities to expand their use by community organisations. This will include supporting TRAs to advertise and market their halls, build relationships with local community organisations.

30. Community Action Southwark ran a three-session course on halls management which proved very successful and elements of this can be continued as this work progresses.
31. Based on developments to-date it is timely to review progress by establishing an internal officer Project Board to look at lessons learnt to-date, agree specific targets and milestones and to monitor expenditure on works as they progress. In the coming month a Project initiation document will be developed scoping out what further work is required and identifying relevant key stakeholders to take forward the next steps.
32. The Project Board will make recommendations to and work with the Tenants Halls Working Party to develop consistent arrangements for all properties in the portfolio. This will include:
- Work on potential suitable model management/occupation agreements.
  - A protocol on operational and financial management issues.
  - A clear arrangement on liability for utilities and non domestic rates.
  - Standard procedures on public liability insurance with an arrangement of regular checking of compliance.
  - The terms of a hall management agreement.
  - An affordable, fair and rational lettings & charging policy that is consistently applied.
  - Opportunities to share premises and maximise use.
  - Consider whether there are benefits to rationalising the portfolio where there are other suitable premises available or they are clearly under-used and where they are beyond economical repair and/or cannot be made to be DDA compliant.
  - A review of arrangements for operating bars in HRA community halls.
  - A review of income generation opportunities through the portfolio to move towards the position where the portfolio generates sufficient income to meet its revenue costs and that could potentially support other community activities. This policy will need to recognise community benefit and that the smaller halls are generally small meeting rooms for TRAs with limited income generation potential
33. Consultation is continuing with the Working Party, Tenants Council, Home Owners Council, Area Forums and TRAs with the intention that a comprehensive set of policies, procedures and protocols are in place along with a full training programme, website information, tools and guidance all available to TRAs in the future. Some elements of this will be developed earlier as a priority for example Health & Safety, finance and booking procedures.

## RECOMMENDATIONS FROM SUB-COMMITTEE / RESPONSE

34. The sub-committee made 14 recommendations the response to which is set out below.

**1) HRA Community Halls data held by the council:** *The council does not currently have a comprehensive database of its own TRA Halls which provides detailed information on the status, rent, location and management contacts for every hall. As the Senior Management Team Paper referred to in this report notes: "Collection and maintenance of management information has been poor with inadequate arrangements for checks on aspects of their management and condition.*

*At times this has been over reliant on voluntary submission of information rather than proactive checking by the council.” Given that these are highly valuable assets, it is important that up to date information is kept on all these properties. The council should never be “unsure” about the status of any of its TRA Halls. The sub-committee recommends that, as part of the capital investment programme, the current data is refreshed, subsequently kept fully up to date and systems put in place to ensure that this data never becomes outdated again.*

**Agreed:** Improvements are underway to improve the data that the council holds. The condition surveys carried out in connection with the improvement programme were a useful starting point in developing more comprehensive records. Work is underway to update the GIS mapping of halls that is available on the Southwark maps section of the council website with key contacts for residents to make bookings and to prompt more usage of halls. A full audit to update key holder and emergency contact data is ongoing and officers will work together with the Tenants Halls Working Party to agree what additional information is required on issues such as hall usage that has not been collected in the past. The aim is to ensure that the data held is accurate, up-to-date and accessible.

**2) Advertising Training:** *The sub-committee believes more could be done to advertise what is on offer via training paid for via the Tenants’ Levy. We would recommend that the Tenants Hall Working Party discuss a new communications plan for the training programme to ensure as many tenants as possible know about the courses on offer.*

**Agreed:** The current training offer is available on the council and Southwark Group of Tenants Organisations website and has been circulated through TRAs. This covers the basic skills required for effective management of a Tenants & Residents Association. The SGTO also provide training including food safety and first-aid. This information *will* be circulated to the Tenant and Homeowner Councils, Area Housing Forums all Tenants and Residents Associations and in the SGTO newsletter. With regard to training specifically targeted at premises management officers are working with the Tenants Halls Working Party to identify what is needed in addition to the basic offer.

Courses *suggested* by the working party include:

- Risk Assessment
- Fire Safety
- Insurance requirements
- Legal liabilities and licences
- Financial management and hiring guidelines.

Officers will also be exploring the accreditation of training and offering opportunities to individual *TRA* members to gain appropriate qualifications which would enable them to deliver their own training.

**3) Composite Courses:** *The sub-committee has made the observation that offering 22 separate courses may be excessive and that it may be advisable to cut the number of courses and consolidate training. In particular we would recommend a course entitled “How to run a TRA Hall” which covered the basics of running halls. This is a suggestion put to the sub-committee by the Chair of a TRA.*

**Agreed:** The training offer is currently under review with the intention of providing a new training offer for 2014/2015. This has also been discussed with the Tenant Council and its sub-committees. The current programme has been reduced and a number of new requirements are set down e.g. courses will only be run if a minimum of 8 participants are signed up.

**4) Training feedback:** *The sub-committee considered the feedback statistics on the training currently provided. This feedback is overwhelmingly positive; with virtually no negative comments received whatsoever. This is clearly reflective of the positive experience of those attending. However, the sub-committee feels that it may be worth getting a fresh pair of eyes to review the training on offer. The sub-committee recommends that the TRA Halls Working Party commissions officers to review the training offer and the method for collecting feedback.*

**Agreed:** This is in the scope of the review noted above being conducted by officers in Community Engagement.

**5) Tenancy agreements:** *The sub-committee believes that it is no longer acceptable for the Council and TRAs to manage their relationship regarding TRA Community Halls according to a mish-mash of leases, tenancies and informal arrangements. The case study examples given by officers show there is a need to put this relationship on a formal footing which makes clear the responsibilities of all parties with regard to the halls. The subcommittee also believes that, to ensure fairness and consistency, all TRA community halls managed by TRAs should be subject to the same standard agreement. The sub-committee would ask that officers investigate the legal and administrative issues further and work with TRA to introduce a standardized system at the earliest opportunity*

**Agreed:** There is a need to standardise the occupation agreements for TRA Halls in order to make it clear what the responsibilities of the council and the occupiers are. Legal opinion has been sought on this issue. This confirms that as most TRAs are unincorporated associations in law they have no legal identity and are therefore not able to enter into any form of contract such as a lease or licence, this means that individuals would have to assume the legal responsibilities and liabilities which would be difficult to implement. In a small number of cases it is appropriate for TRAs to incorporate as charitable companies or other not-for-profit legal entity. However this brings significant responsibilities that most TRAs would not have the capacity or resources to fulfil. This could have a negative effect on the tenants' movements and act as a barrier to more people getting involved. Advice on an alternative is currently being sought and it is suggested that it may be more appropriate to issue a letter to all those TRAs responsible for halls that clarifies their rights and responsibilities and those of the council. The Working Party is working with council officers to develop the Heads of Terms for this agreement.

**6) A fair rents system:** *The sub-committee believes that it is wrong and unfair that some TRAs are paying significant amounts of money in rent and charges, whilst others are paying nothing. The sub-committee does not believe that the council should be seeking to make additional money from the rents paid by TRAs for halls. Further, we believe that the rents which are paid should be fair and that all TRAs should be making at least some contribution, no matter how small. Our suggestion would be that the Halls are categorised by officers (and agreed with the tenants halls working party) according to their revenue raising*

*potential. The rent levels should then be set according to the revenue raising potential of the hall itself.*

*However, because the total amount of money collected will not rise and because there will be 50+ additional halls making at least some contribution, the rent being paid even by higher category halls should be far from punitive. The sub-committee recommends that officers draw up a new rents system based on the principle of halls with greater revenue raising potential paying more, but with the overall rent receipt for the council remaining unchanged.*

**Agreed:** Officers will work with the Halls Working Party to consider a fair and affordable rent policy. The first priority as is noted by the Scrutiny Sub-committee is to ensure that the data held is regularly updated so that an accurate picture exists of which TRAs pay rent and which do not. Once this exercise is completed the Halls Working party will be asked to consider the options for a fairer and more sustainable policy that does not penalise those that are successful at generating income which is used to subsidise other TRA activities that benefit the local community. The objective of this exercise is not to increase the income to the council but to ensure that the inequity in the current system is addressed.

**7) Provision across the borough:** *The sub-committee believes that it is important that we do not pretend to start from a blank sheet of paper. TRA Community Halls have thrived in certain parts of the borough for a reason and their location, in part, reflects the tenant population of these parts of the borough. There is potential for a better use of resources in some parts of the borough and a need to address gaps in provision in others. The subcommittee would recommend that officers are tasked with identifying those TRAs which are genuinely struggling for space to carry out their meetings and activities. Once a list has been drawn up officers should work with those TRA in identifying possible sharing arrangements with the variety of other council owned premises and community spaces which may be local to those TRAs.*

**Agreed:** As noted in the Scrutiny report the TRA Halls and VCS property portfolio have now been brought together under the responsibility of the Community Premises Officer in Community Engagement and the VCS Portfolio Manager in the Council's Property division with the intention of providing more consistency across the management of both. It also provides the opportunity to pursue greater sharing of premises. There are already some examples where this arrangement is in place and Officers will continue to actively pursue these opportunities in the future.

**8) Advertising and information to boost involvement and use of halls:** *It is interesting that 70% of people state that they never or rarely use the TRA community hall that they have access to. Of those who said they had never used the hall in the survey, a number of the comments indicated that they knew very little about what the hall was used for or even if they were allowed to use it. It was also noticeable that when tenants were asked how the running of their hall might be improved a significant number volunteered that better advertising and more information would be very welcome. To address this issue the sub-committee recommends that all TRAs have a website, a physical bulletin board outside of the TRA and a quarterly newsletter. New residents on estates should also be informed of the contact details of their TRA. The sub-committee suggests that these actions be taken up as part of the work programme of the TRA Halls Working Party who can then communicate with both officers and*



*TRAs to identify what further resources and training could be provided to implement this recommendation.*

**Agreed:** Work is ongoing to complete the mapping of all VCS premises across the borough. As noted in 1) above the existing information is available on the Southwark maps section of the council website and once this has updated contacts for making bookings is an opportunity to promote greater use and simplify this process. Officers are currently investigating the future potential to link the mapping to electronic booking forms to automate the process and make it easier for users. This supplements the mapping exercise that has taken place using various sources of data resulting in a GIS page showing all Voluntary & Community Sector groups that exist within Southwark for publication on the Council's website. Work is also ongoing in conjunction with Community Action Southwark to develop a facility for VCS organisations and individuals to search for room and facilities available for hire across the borough.

**9) TRA Community Halls where there is acute under-use:** *Clearly, for some TRA Community Halls the problem of under-use is more acute and needs more urgent attention. For some of these halls the situation is now finally coming to a head because of the council's multi-million pound investment programme. The council simply cannot justify investing £60,000 – £120,000 to revamp buildings which are being left virtually unused, particularly when these buildings could be converted in to new council homes. The sub-committee suggests the following principle be applied: Where a hall is being used less than 15% of the time during "core hours", the hall should not receive significant financial investment and it should be scheduled for conversion into new homes (where this is possible). The definition of "core hours" could be informed by contributions from the Tenants Halls Working Party. A list of halls which officers suspect may be acutely under-used should be brought before the Working Party. Once agreed, halls on this list should be subject to an assessment. The assessment could be made over a one month reference period and informed by a diary of events provided by the TRA itself. The assessment should be up-to-date, rather than based on historic information about usage. Where lack of investment, or other factors beyond the control of the TRA, is the central reason for under-use, discretion should be applied.*

**Agreed:** In building a database of more accurate information about the range and use of TRA halls the council in conjunction with the Working Party will be better placed to make assessments and progress discussions about continued use of halls or other.

**10) Defunct TRAs:** *Where the TRA is defunct and the hall is not being used at all, the building should be considered for conversion into new homes. This decision should include consideration of any realistic possibility of the TRA being re-launched in the near future.*

**Agreed:** The first priority is to work with residents to reconstitute a TRA. Where it is clear that this is not possible then consideration would be given to the feasibility of conversion into new homes. Officers will work with the Tenants Halls Working Party to prioritise those community halls that have been converted from their original residential use where the hall is not used and the TRA defunct as these are likely to be more feasible conversions back into homes. As noted above the first step is to work to re-establish TRAs.

**11) Stock Condition:** *The sub-committee is aware that the Tenants Halls Working Party has been working constructively with officers to move forward the TRA Halls investment programme. It should be noted that the early part of the scheme has been dominated by investment decisions that are relatively uncontroversial. A point will come in the not-too distant future more difficult decisions will need to be confronted. The main difficulties will be in considering investment in properties where two conditions apply:*

- a) *Where it is simply impossible to make the Hall compliant with the Disability Discrimination Act.*
- b) *Where there are already alternative facilities available in the area, and there is the possibility of sharing taking place.*

*TRA Community Halls which fit either (or both) of these criteria might then be converted into new council homes. Clearly, decisions of this type need to be made in conjunction with the TRAs concerned. The sub-committee would recommend that all parties enter into these discussions in a constructive way. We would suggest two guiding principles with regard to these decisions:*

- *Where potential sharing or DDA compliance are clearly issues, the council must not waste money by inappropriately upgrading TRA community halls simply because this is the line of least resistance.*
- *Where conversion into new council homes is appropriate, both TRAs and council officers must recognise the important of securing value to money. Where TRA community halls are converted into new council homes, comparable replacement facilities must be made available either through sharing another nearby hall or by other means (e.g. new build).*

**Agreed:** Officers are working with the Tenants Halls Working Party on prioritising the capital investment programme against the following criteria that the Working Party agreed:

- Compliance - Is there an immediate and significant risk to users (FRAs)?
- Governance - Are there any prevailing issues?
- Bang for our Buck test - spend vs. size of facility, location, number of users;
- Alternative Facilities in the Area that can be shared;
- Future Proof facilities - DDA compliant, longer-term sustainability;
- Alternative Uses – e.g. Hidden Homes.
- ‘If it was your money’ test
- ‘Gold’ Factor – Prioritise TRAs doing innovative things

Works are underway to the first 16 halls as a first phase of this 5 year programme, these criteria will continue to be applied as the programme

proceeds along with further considerations such as use of halls as Rest centres for emergency planning purposes.

**12) Whistle-blowing procedure:** *In the tenant's survey 62% of people said that, if they became aware of fraudulent activity or mismanagement, they would not know who they would report it to. This is unsurprising as neither the council nor TRAs have a standard whistle-blowing procedure in place with regard TRA Community Halls. The sub-committee believes that it is important to have a streamlined whistle-blowing agreement in place as a matter of urgency. The most preferable vehicle for delivering this would be for the whistle-blowing procedure to appear as an appendix to the new tenancy agreements between the council and the TRAs. The details and the wording of the whistle-blowing procedure should be agreed with the Tenants Halls Working Party and should include a role in whistle-blowing for ward councillors.*

Officers will ensure that the existing council procedures for reporting allegations of fraud under the council's fraud and bribery response plan are made available to all TRAs. This is through the fraud hotline on 0800 052 1010 or by email at [fraud.hotline@southwark.gov.uk](mailto:fraud.hotline@southwark.gov.uk). These cases are investigated by the council audit and fraud team.

Officers have recently undertaken a similar exercise for Tenant Management Organisations in the borough and will adapt this procedure to apply specifically to TRAs and TRA Halls. Generally speaking the term whistleblowing applies to workers who are given protection under the Public Interest Disclosure Act 1998 however in cases where an issue relating to fraud is reported by a member of the public their identity would be protected in the same way including that their identity would not be disclosed to anyone without their consent (unless required to do so by a court or the law).

**13) Multiple key-holders:** *Several of the case studies show the problems that can arise when just one person literally "holds the key" to a HRA Community Hall. The sub-committee would recommend that for every TRA Community Hall, there are at least two and ideally three individuals given keys to the premises. For security reasons, the sub-committee believes there should be a maximum of 3 keys in circulation at any one time.*

**Agreed:** As noted above a full audit is being carried out of key holders and this will be addressed as part of developing the standardised agreement for use of TRA community halls along with a protocol for shared use.

**14) Multiple signature withdrawals.** *Fraud is rare in Southwark's TRAs, but we must always be vigilant over safe-guarding against financial malpractice. As the case studies on possible examples of fraud showed, the practice of allowing single signature withdrawals from HRA Community Hall bank accounts is inadvisable. Even in situations where the single signatory's conduct has always been beyond reproach, this is an unwise arrangement. New committee members come and go, and where a system has been adopted with one person in mind, there may soon be another person put in their place. The sub-committee recommends that all Southwark TRAs handling money generated through TRA Community Halls should operate a system of multi-signatory withdrawals.*

**Agreed:** It is a condition of funding and recognition by the council that this is in place and this issue is covered in the training and advice given to TRAs. It is

also, as noted by the Tenants Halls Working Party, normal practice for banks to insist on this for TRA accounts.

The SGTO verifies accounts annually for a number of TRAs and reports that it has not identified a single instance of this practice. This requirement will also be written into the agreement for TRAs managing TRA Halls.

**15)** *The council is embarking on a homes building over the coming years. The council should continue to consider the provision of new community space where significant concentrations of new building take place.*

Officers from Community Engagement attend the Officer Working group that oversees the delivery of the 1,000 new council homes. This is to ensure that both needs for community space and opportunities for conversion of unused facilities can be considered at an early stage in the development of these schemes.

### **Community impact statement**

35. Southwark is one of the largest housing providers in the country. The 53,500 households who rent or are home owners in Southwark managed properties make up just about half of all the people who live in the borough. It is clear from comparing the 2001 to the 2011 census figures that the borough is becoming more diverse in terms of ethnicity and religion and is becoming younger in age profile.
36. Improving the usage of TRA Halls is an essential part of improving the “resident involvement offer” and is intended to ensure that many more residents gain from their involvement with their local tenant and resident association and are encouraged to offer their skills and knowledge to their own local community.

### **Resource implications**

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

### **Financial implications**

38. An amount of £2.1m has been set aside for works of a capital nature to TRA halls. This allocation is to be increased by £200k per year over the next 5 years by way of a contribution from the TRA halls revenue maintenance fund, which means that a total amount of £3.1m will have been made available for works of a capital nature in 5 years’ time.
39. The 2013/14 budget for TRA halls maintenance of a revenue nature is £510k, of which £200k is set aside to be transferred to capital. This means that the effective budget for revenue maintenance is £300k per year for the next 5 years.
40. There are no additional resource implications to delivering the recommendations of this report.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Legal Services

41. Cabinet is asked to note and agree the response to the recommendations of the review of TRA halls carried out by the Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee. Where there are legal implications arising from the recommendations, these are referred to in the body of the report. As to recommendation 5 in paragraph 34 (Tenancy agreements), there are different legal and constitutional requirements depending on the type of agreement the council enters into with a particular TRA. The type of agreement appropriate will depend on the circumstances of the particular TRA and the arrangements envisaged. Officers are therefore advised to seek further and specific legal advice when developing such agreements.

### Strategic Director of Finance & Corporate Services (FC13/040)

42. This report responds to the Overview & Scrutiny Committee review of TRA halls and communal rooms. Financial implications are detailed in paragraphs 38 to 40.
43. The strategic director of finance and corporate services notes that at this stage there are no additional resources required to deliver the recommendations. If additional resource pressures emerge these will have to be carefully managed within the budgetary constraints set out paragraphs 38 and 39.
44. Any request for an increase in available resources will have to be submitted as part of the Council's annual budget setting process. It is also noted that recommendation 6 includes the intention to establish a consistent and equitable rent policy for TRA halls.

## BACKGROUND DOCUMENTS

| Background Papers   | Held At   | Contact   |
|---|---|---|
| Report Into TRA Halls And Communal Rooms (Housing, Environment, Transport And Community Safety Scrutiny Sub-Committee) – Cabinet 16 April 2013<br><a href="http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=302&amp;MId=4253&amp;Ver=4">http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=302&amp;MId=4253&amp;Ver=4</a> | Housing & Community Services, 160 Tooley Street, London SE1 2QH | Brian O'Neill<br>Tenant & Resident Organisation Co-ordinator<br>020 7525 7455 |

## APPENDICES

| No.        | Title.                                  |
|------------|---|
| Appendix 1 | TRA Halls & Community Rooms Action Plan |

**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>  | 13 June 2013  |                          |
| <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>                    | 13 June 2013  |                          |

## TRA HALLS &amp; COMMUNITY ROOMS ACTION PLAN

## APPENDIX 1

| No | Recommendation  | Owner   | Target date                              | RAG Assessment<br>Red/Amber/Green |
|----|---|---|--|-----------------------------------|
| 1  | Establish a project board and PID to maintain an oversight of and monitor progress      | Head of Community Engagement  | July 2013                                | Green                             |
| 2  | Establish a comprehensive database of halls with contact details and update GIS mapping | Head of Community Engagement/<br>Community Premises Assistant                                       | September 2013                           | Green - Ongoing                   |
| 3  | Review current training provision and explore opportunities to improve the offer        | Capacity & Partnerships Co-ordinator/<br>Tenants Fund Management Committee.<br>Tenant Council       | April 2013 & further revised August 2013 | Green - Partially complete        |
| 4  | Develop a protocol on operational and financial management issues                       | Commissioning & Voluntary Sector Support Manager /<br>Tenants Halls Working Party                   | Dec 2013                                 | Green. Completed.                 |
| 5  | Agree an arrangement on payment of utilities and non-domestic rates                     | Commissioning & Voluntary Sector Support Manager /<br>Tenants Halls Working Party                   | April 2013                               | Green - Completed                 |
| 6  | Produce a standard set of procedures on public liability insurance                      | Commissioning & Voluntary Sector Support Manager /<br>Tenants Halls Working Party                   | Nov 2013                                 | Green - On Target                 |
| 7  | Create standard hall management agreements  | Commissioning & Voluntary Sector Support Manager /<br>Project Board/<br>Tenants Halls Working Party | July 2014                                | Green - On Target                 |

|    |  |   |           |                   |
|----|--|---|-----------|-------------------|
| 8  | Agree a fair lettings and charging policy to be applied across                           | Commissioning & Voluntary Sector Support Manager / Project Board/ Tenants Halls Working Party | Sept 2014 | Green – On Target |
| 9  | Develop a protocol and explore opportunities for sharing of premises and maximising use. | Commissioning & Voluntary Sector Support Manager / Project Board/ Tenants Halls Working Party | June 2014 | Green – On Target |
| 10 | Determine which premises are suitable for repair and which are uneconomical              | Head of Community Engagement/ Project Board   | June 2014 | Green – On Target |
| 11 | Review arrangements for the management of bars   | Commissioning & Voluntary Sector Support Manager / Tenants Halls Working Party                | May 2014  | Green – On Target |
| 12 | Develop a policy on income generation (to include training).                             | Commissioning & Voluntary Sector Support Manager  | Jan 2014  | Green – On Target |
| 13 | Develop a whistle blowing policy for TRA's   | Commissioning & Voluntary Sector Support Manager  | July 2013 | Green - Completed |



|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>14.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Major Works Status Report incorporating Warm, Dry and Safe                        |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All wards   |                                 |
| <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 is committed to making every home in Southwark Warm, Dry and Safe and this has been embedded in our Fairer Future Promises. This report provides an update with progress towards achieving that aim.

The council is providing a fully funded investment programme that ensures all residents will receive a Warm, Dry and Safe home. Whilst previously the unrealistic standards ensured some residents were left without investment and even less homes would meet the Government's Decent Homes standard, we have begun to address the Decency issues that affects the living conditions of so many of our residents.

Whilst we are pleased that the level of investment in homes has accelerated in 2012-2013 and more residents are benefiting from the work carried out, we will continue to ensure that the programme is delivered on time, fully funded and that investment is made wisely. Residents will continue to be fully engaged in the works that are undertaken at their homes. Warm, dry and safe homes is being delivered and prioritised at a time of limited resources and financial challenges to both us as a council but also to our residents.

Housing contributes so much to the well-being and lives of the residents of Southwark, so we are proud to deliver them Warm, Dry and Safe homes. Moving forward we recognise that we need a longer term plan beyond our current programme and we are actively engaging with residents in regards to the options presented through the independent Housing Commission on the future of the council homes in the borough.

So we look forward to developing our plans for council homes with residents and continuing to deliver improvements they so desperately need. I am therefore asking the cabinet, after consideration of the officers' report set out from paragraph 1 onwards to approve the recommendations below.

### **RECOMMENDATIONS**

1. That cabinet notes the status of the Housing investment programme with particular reference to the Warm, Dry and Safe programme.
2. That cabinet notes that the Warm, Dry and Safe programme will be fully committed by the end of 2015/6.

3. That cabinet notes the planned brought forward schemes from 2014/15 and 2015/16 programmes.
4. That cabinet notes the progress of the strategic safety works programme. All substantial risk high rise blocks have now been completed. The majority of high moderate risk blocks originally identified have now been completed with the rest due to complete early in 2013/14. Further work is being prioritised and a further report will be drawn up to seek approval for the additional resources required.
5. That cabinet notes the amount of stock that has actually been surveyed has increased from around 11% when the initial programme was compiled to 32% as at March 2013.
6. That cabinet notes the additional resources that have been provisionally secured and notes that an additional £48.8m secured through Decent Homes backlog funding is added to the investment assumptions for the delivery of the Warm, Dry and Safe programme in addition to the current resources. A further report in December 2013 will formally request for any additional resources, if required, for the completion of the Warm, Dry and Safe programme.
7. That cabinet notes the council is working with British Gas to deliver environmental improvements including roofs, windows and cavity work. This is at a notional cost to Southwark. The council is piloting an initial package of works in Bermondsey and Rotherhithe and if successful this will be rolled out to a larger number of properties.
8. That cabinet notes the plans to consult exclusively with leaseholders early in the planned worked process as part of our commitment for "putting residents first".
9. That cabinet notes that this report will be sent to Home Owners Council and Tenant Council following cabinet approval.

## **SUMMARY**

10. It is a key priority of the council to make every home in Southwark Warm, Dry and Safe. This paper is to give an interim update on the Warm, Dry and Safe (WDS) programme as at the end of March 2013.
11. Over £98m has been spent (excluding Leathermarket JMB spend) and the programme is on course to be fully committed by the end of March 2015/16. The annually set WDS spend target for 2012/13 of £63m has been achieved.
12. The start of the programme was delayed whilst waiting for a decision following the appeal against the Leasehold Valuation Tribunal (LVT) regarding the major works partnering contracts. By taking swift action to resolve contract issues and bringing alternative works forward when others require retendering, the programme continues to accelerate into 2013/14.
13. Additional resources have been secured that can be used to ensure the delivery of the WDS programme.

14. All high rise blocks with a substantial risk from the fire risk assessments have been completed. The majority of the higher moderate risk high rise blocks are also complete, with the remaining blocks completing early in this financial year.

## **BACKGROUND INFORMATION**

### **Introduction**

15. On the 18 October 2011 cabinet agreed a detailed five year housing investment programme, with a summary set out in Appendix 1 of this report.
16. The initial programme was put together and finalised following extensive and widespread consultation including development with a Decent Homes Review Working Party (DHRWP) chaired by the cabinet member for housing management and comprising of representatives from Tenant and Home Owner Council. Over 50,000 surveys were sent out to tenants and homeowners (including TMOs) to obtain their views on various issues relating to investment in council housing as well as open meetings, forums, tenant council and home owner council. The initial programme was presented to cabinet in May 2011 and it was resolved that further consultation should take place with a report coming back to cabinet.
17. The Stage 2 consultation comprised a variety of methods of engagement and provided opportunities for groups and individual residents to raise issues concerning their own communities. The consultation included a programme of meetings with Area Housing Forums, Tenants Council, Home Owner Council and their working parties. The Decent Homes Review Working Party was also given the opportunity to comment on the draft consultation as well as the detailed programme. Tenant and Residents' Associations (T&RAs) and Tenant Management Organisations were provided with a collective comment form for the group to return with their comments. All tenants and home owners were sent a letter with their July rent or service charge statement alerting them to the consultation and explaining how they could participate. This included discussion with their T&RA and submission of a collective comment form, or individual comments.
18. A summary of the feedback and officer responses were given in the October 2011 cabinet report. Where replies related to specific blocks, in all cases, surveys were undertaken and the programme adjusted where necessary, adding and removing work items. Examples of changes to the programme included adding (a full list was provided in Appendix 6 of the October 2011 cabinet report):
  - a. Roofs to 1-8, 9-36, 37-53 Quentin House in Borough and Bankside
  - b. Bathrooms to 1-6, 17-32, 33-38 Eldridge Court, Rouel Road in Bermansey
  - c. Roofs to 1-8, 9-26, 27-34, 35-42, 43-50 Melford Court, Melford Road in Dulwich
  - d. Bathrooms to 1-6, 7-12, 25-36, 37-52, 53-68, 69-84, 85-100, 139-144, 145-150, Penrose House in Walworth

19. The programme was put together based upon the following programme assumptions:
- a. Need – The housing stock condition survey told us which properties were in the worst condition and needed work most urgently
  - b. Affordability – We have looked at the total amount of money that we have available to spend in any one year to make sure that the funding is fairly distributed among those properties that are most in need
  - c. Practical considerations – For example, how blocks are grouped within the programme, taking account of the works that they need and their location
20. Following agreement of the programme officers were then instructed to proceed with the implementation of the programme.
21. The key components of the programme are:
- a. The main WDS estates and street properties programme (electrics, windows, roofs, bathrooms, doors, boilers as well as other external repairs)
  - b. Lift, individual boiler, district heating and electrical works programmes
  - c. The existing investment two-year programme and the high priority FRA schemes
  - d. Expenditure on major voids and voids capitalisation.
22. The programme is based on WDS principles and this equates to the Government's Decent Homes Standard. These principles are:
- a. **Warm** – modern functioning heating, well insulated roofs, windows in good condition or double glazed with secure locks, sliding window vents and restrictor hinges where needed, draught excluders on front doors, cavity wall insulation
  - b. **Dry** – roofs, windows and building fabric in good condition, free from water penetration and damp
  - c. **Safe** – modern electrics including rewiring where necessary, secure front doors (fire rated where necessary)
23. The delivery of WDS homes is one of Southwark's Fairer Future promises.
24. As part of the cabinet report some estates were recognised as needing a higher investment and given funding beyond that available through WDS. High Investment Needs Estates (HINE) are Abbeyfield Estate, Four Squares Estate and Hawkstone along with the continued regeneration of the Elmington Estate and Aylesbury Estate.
25. Funding of the £326m programme was considered as part of the overall resources for the Housing Investment Programme forecast at £465m in the 18 October 2011 cabinet report and made up from the following sources:
- £122m Capital Receipts
  - £208m Major Repairs Allowance / Major Repairs Reserve
  - £65m Revenue Funding
  - £41m Other Sources including grants

- £29m Back log funding

### **Delivery Background**

26. Delivery of the WDS programme was initiated on a wave of change that included establishment of the new Housing Department in 2011 and the setting up of the major works team within the department.
27. During the first eighteen months of programme there have been set backs that have meant that some of the planned targets for delivery have been tested.
28. On 23 March 2010, the Executive decided to postpone decision making on the Contracts Award Approval Housing Major Works Contract because officers had been advised the Leasehold Valuation Tribunal (LVT) did not grant the necessary dispensation. Subsequently the council were given permission to appeal against the decision of the LVT and the case was reheard in the Upper Tribunal. The decision of the Upper Tribunal was received on January 2012. Consequently the council was able to proceed with the five area based partnering agreements. This caused a significant delay to the start of the programme, impacting the 2 year programme, WDS Estates 2012/13 and WDS Street Properties 2012/13.
29. Because of the delays in 2011/12, a total of £29m expenditure was re-profiled into future years.
30. In addition, there were issues with Wates, the partnering contractor for the Bermondsey/Rotherhithe delivery area. The contract with Wates was mutually concluded, being replaced with a combination of the back up contractor and competitive tendering. Some of these schemes went to Apollo (the back up contractor), and the rest were tendered.
31. The council also suspended one of the remaining four partnering contractors in December 2012 following an incident at Draper House. The five year partnering contract in Borough & Bankside / Walworth area with Breyer PLC was subsequently mutually concluded. Whilst this decision was not taken lightly the council felt this was a necessary step to ensure the provision of good quality and safe works to all our residents. The work carried out by the contractor is being replaced with a mixture of using back up contractors and competitive tendering. The council has been working with residents to ensure all schemes that were on site or in design receive a smooth as possible transition to the new arrangements, but this has inevitably led to delays in the completion of works. The loss of a partnering contractor will also delay the start of schemes that Breyer were due to undertake, especially where they are to be retendered due to the time needed for the tendering process.
32. Despite these set backs staff are confident that all programmed works in the WDS programme will be committed by the end of 2015/6. Decisive action has been taken to accelerate the delivery of the WDS programme despite some significant obstacles and set backs that hindered progress. Issues that arise are being dealt with effectively and works have been brought forward whilst other planned works have been retendered.
33. On the 31 May 2011 cabinet agreed to approve a housing investment programme of major works to the value of £320.5m (plus £5.5m for works at

Leathermarket JMB) over the next five financial years (2011/12 – 2015/16) to ensure that the council's homes including those homes managed by Leathermarket Joint Management Board, are invested in to meet the Government's Decent Homes Standard and make them WDS (replacing the Southwark Decent Homes Standard adopted on an interim basis in April 2008, with the Government's Decent Homes standard).

## KEY ISSUES FOR CONSIDERATION

### What Has Been Achieved – Overall Position

34. Despite the delayed start, at March 2013 over £98m had been spent for the first two years of the WDS programme (excluding Leathermarket JMB). Spending continues to accelerate. The annually set target for 2012/13 to spend £63m has been achieved.
35. A summary of the first two years planned expenditure from the 18 October 2011 cabinet report is set out below. Each of the tables links back to the original budgets approved by the original cabinet report.

| <b>Original WDS forecast for 2011/12-2012/13</b> | <b>2011/12 Forecast Spend</b> | <b>2012/13 Forecast Spend</b> | <b>TOTAL Forecast Spend</b> |
|--|-------------------------------|-------------------------------|-----------------------------|
| Four Squares Security (New Place Estate)         |                               | 500,000                       | <b>500,000</b>              |
| Four Squares WDS (New Place Estate)              |                               | 250,000                       | <b>250,000</b>              |
| WDS - FRA Moderate Contingency                   |                               | 5,000,000                     | <b>5,000,000</b>            |
| WDS - FRA Substantial Contingency                |                               | 2,500,000                     | <b>2,500,000</b>            |
| Elmington (Drayton / Langland)                   |                               | 700,000                       | <b>700,000</b>              |
| WDS - Landlord Obligations (Individual Heating)  | 8,110,000                     |                               | <b>8,110,000</b>            |
| WDS - Landlord Obligations (District Heating)    | 5,936,298                     |                               | <b>5,936,298</b>            |
| WDS - Landlord Obligations (Electrical Works)    | 2,350,000                     |                               | <b>2,350,000</b>            |
| WDS - Landlord Obligations (Lifts)               | 5,020,000                     |                               | <b>5,020,000</b>            |
| Contingency                                      |                               | 2,000,000                     | <b>2,000,000</b>            |
| WDS Estates                                      |                               | 10,619,169                    | <b>10,619,169</b>           |
| WDS Street Properties                            |                               | 2,462,907                     | <b>2,462,907</b>            |
| Minor Voids Capitalisation                       | 3,000,000                     | 3,000,000                     | <b>6,000,000</b>            |
| Minor Voids WDS Works                            | 1,000,000                     | 1,000,000                     | <b>2,000,000</b>            |
| Current Schemes                                  | 68,969,221                    |                               | <b>68,969,221</b>           |
| <b>TOTAL</b>                                     | <b>122,417,596</b>            |                               | <b>122,417,596</b>          |

36. Summary of actual spend against in the first two years of the programme\*:

| <b>WDS Spend for 2011/12-2012/13</b>            | <b>2011/12 Spend</b> | <b>2012/13 Spend</b> | <b>TOTAL</b>  |
|---|----------------------|----------------------|---------------|
| Four Squares Security (New Place Estate)        | £0.0m                | £0.4m                | <b>£0.4m</b>  |
| Four Squares WDS (New Place Estate)             | £0.0m                | £2.1m                | <b>£2.1m</b>  |
| Elmington (Drayton / Langland)                  | £0.0m                | £1.6m                | <b>£1.6m</b>  |
| WDS - Landlord Obligations (Individual Heating) | £3.5m                | £8.2m                | <b>£11.7m</b> |
| WDS - Landlord Obligations (District Heating)   | £2.8m                | £2.3m                | <b>£5.1m</b>  |
| WDS - Landlord Obligations (Electrical Works)   | £2.8m                | £0.2m                | <b>£3.0m</b>  |
| WDS - Landlord Obligations (Lifts)              | £3.1m                | £2.7m                | <b>£5.8m</b>  |
| Contingency                                     | £0.0m                | £0.0m                | <b>£0.0m</b>  |

| <b>WDS Spend for 2011/12-2012/13</b> | <b>2011/12 Spend</b> | <b>2012/13 Spend</b> | <b>TOTAL</b>  |
|--------------------------------------|----------------------|----------------------|---------------|
| WDS Estates                          | £0.0m                | £5.8m                | <b>£5.8m</b>  |
| WDS Street Properties                | £0.0m                | £0.9m                | <b>£0.9m</b>  |
| Minor Voids Capitalisation           | £3.0m                | £3.0m                | <b>£6.0m</b>  |
| Minor Voids WDS Works                | £0.8m                | £1.0m                | <b>£1.8m</b>  |
| Current Schemes                      | £19.7m               | £33.7m               | <b>£53.4m</b> |
| Hawkstone                            | £0.1m                | £1.1m                | <b>£1.2m</b>  |
| <b>TOTAL</b>                         | <b>£35.8m</b>        | <b>£63.0m</b>        | <b>£98.8m</b> |

\*Figures subject to year end accruals and adjustment

For information: Leathermarket JMB spend is £0.8m for 2011/12 and £1.4m for 2012/13.

37. A summary of progress is given below with a more detailed breakdown given in **Appendix 2.**

| <b>Budget heading</b>                                 | <b>Progress Status</b>                   | <b>Description of progress</b>  |
|---|--|---|
| Four Squares (security and WDS)                       | <b>On site</b>                           | Four Squares has started in 2012/13 as scheduled.   |
| Elmington (Drayton / Langland)                        | <b>On site</b>                           | Elmington was scheduled to start in 2012/13 and complete in 2013/14. This is still the case.  |
| WDS - Landlord Obligations (Individual Heating)       | <b>Ongoing Programme (accelerated)</b>   | This programme has been accelerated and is running ahead of schedule.   |
| WDS - Landlord Obligations (District Heating)         | <b>Ongoing Programme</b>                 | Some of the 2013/14 and 2014/15 schemes have been brought forward and completed and overall this programme is progressing well. However, some of the planned schemes for first two years have not progressed on schedule whilst further detailed resident consultation took place.  |
| WDS - Landlord Obligations (Electrical Works)         | <b>Ongoing Programme</b>                 | This has delivered as expected for the first two years of the programme.  |
| WDS - Landlord Obligations (Lifts)                    | <b>Ongoing Programme</b>                 | This programme is running well and is on schedule.  |
| WDS Estates 2012/13 and WDS Street Properties 2012/13 | <b>Ongoing (Delayed)</b>                 | The delayed decision from the LVT / Upper Tribunal delayed the start of these schemes. Some further delays have been caused with the mutual conclusion of the Wates and Breyers works contract. All are now on site and progressing with the exception of Brandon and Dickens Estates that are both due on site in 2013/14. |
| Minor Voids Capitalisation                            | <b>Ongoing Programme</b>                 | Voids capitalisation, allocation utilised.  |
| Minor Voids WDS Works                                 | <b>Ongoing Programme</b>                 | Minor voids works on target, allocation utilised.   |
| <b>Current Schemes</b>                                |  |   |
| Fire Risk Assessment (FRA) works - current            | <b>Substantial risk blocks Completed</b> | All substantial risk high rise blocks complete.   |

| Budget heading   | Progress Status                                | Description of progress   |
|------------------|--|---|
|                  | Higher Moderate risk blocks complete / on site | Nearly all the originally planned higher risk high rise moderate risk blocks are complete with the last few completing in 2013/14.            |
| 2 year programme | Ongoing (Delayed)                              | The delayed decision from the LVT / Upper Tribunal delayed the start of these schemes, however they are now all on site, with many completed. |

38. Overall, the programme is now progressing well towards the delivery of Warm, Dry and Safe homes. Given the delayed start due to the LVT/Upper Tribunal decision and further issues with some of the partnering contractors the programme has responded well by bringing forward some works. This has ensured the programme is gaining momentum and well placed to deliver WDS homes.
39. From 2011/12-2012/13:
- a. Over 4,000 properties have benefited or are benefiting from work started as part of our WDS major works programme to estates and street properties. Over half of all Southwark's 52,000 homes are expected to benefit from major works to their homes or blocks by the end of the programme.
  - b. Over 4,500 homes have become Decent.
  - c. In addition to the WDS major works programme, safety works have been completed to 129 blocks through the FRA programme.
  - d. 84 lifts have been refurbished as part of the lifts programme.
  - e. Over 5,000 individual boilers have been replaced and many more residents have benefited from district heating works.
  - f. The GLA targets for decency to receive the backlog funding were met including drawing down additional funding by meeting a higher target.

#### **What Has Been Achieved – Fire Risk Assessment (FRA) Programme**

40. The FRA Programme has progressed well with specific details available in Appendix 2. Following the completion of the FRAs on high rise buildings blocks with substantial and high moderate risk were prioritised for works. All 27 substantial risk high rise blocks have now been completed. 102 out of 169 high moderate blocks identified have now been completed with the rest due to complete early in 2013/14. Over £32m has already been invested in delivering FRA works. In addition Gloucester Grove has now been added to the programme which is now in design as this has been identified as having a higher risk than initially identified.
41. The FRA programme has successfully mitigated the level of risk from the higher risk blocks and Southwark continues to prioritise and work on reducing the risks identified in FRAs. Fire rated front and communal doors have been installed as well as works to the ducting and appropriate panelling to reduce the spread of flames in the event of a fire. Southwark is continuing to work with the London Fire Brigade to ensure that residents in the borough can be assured that their homes are safe.



42. Whilst the programme has addressed the higher risk properties, there are still lower moderate risk high rise blocks requiring work. In addition further surveys are being undertaken on FRA works required for street properties and lower rise blocks. Work is being undertaken to prioritise these assets in discussion with the London Fire Brigade. Once the work required is ascertained a further report will be drawn up to seek approval for the additional resources required.

#### **What Has Been Achieved – Decent Homes**

43. Over 60% of the council's rented accommodation were Decent at March 2013. Each April the homes falling into non Decency that year are added meaning that the overall Decency rate drops initially at the start of each year.
44. As well as through the delivery of major works the Decency levels will change with surveys and repairs that are undertaken. The Decency achieved through major works will only be updated on completion of a scheme, so as more schemes are finishing the decency levels will increase. At the end of the WDS programme it is expected that the council's stock will be close to 100% Decent.

#### **What Has Been Achieved – Putting Residents First**

45. "Putting Residents First" was a local offer and a commitment to fully consult with residents about major works. This includes:
- a. Holding a drop in session for residents and the local ward councillors
  - b. Setting up a residents' project team of interested residents (where possible)
  - c. Issuing an introductory booklet containing information about the contracts and the works, newsletters and regular meetings
  - d. Carrying out satisfaction surveys.
46. For all projects, officers have actively engaged with residents, clearly consulting on the works and setting up resident led projects groups where possible. At all stages residents have been actively updated with progress and issues have been dealt with in a proactive way.
47. The first year of the programme has demonstrated to officers that there is a need to specifically consult with leaseholders about the costs and scope of major works as well as the contents of the works programme. Moving forwards major works will have a specific meeting with leaseholders at the start of each project.

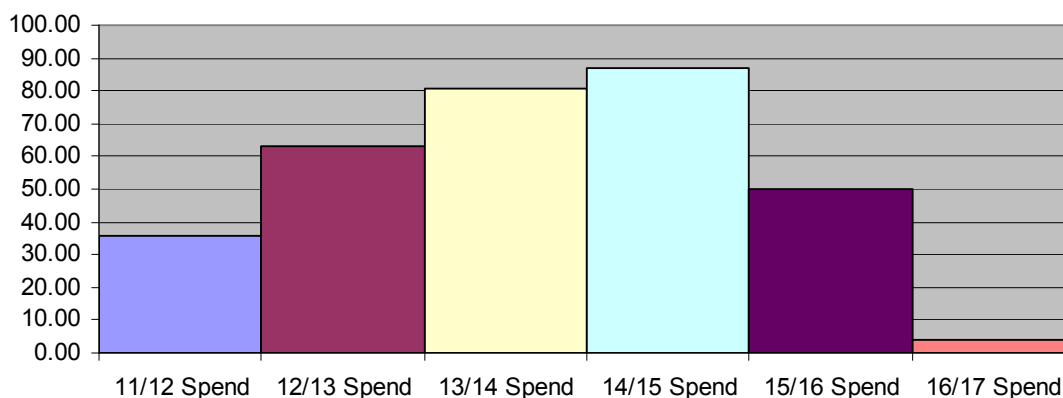
### **TARGETS FOR THE FUTURE YEARS**

#### **Spend and allocation**

48. The following spend forecast is based on actual agreed costs for current schemes, cost estimates or forecasts based on the allocations set out in the cabinet report of October 2011 for future schemes. As these costs are largely based on a forecast, they are likely to change as actual costs are agreed following detailed surveys. With more of the programme being brought forward, 2013/14 and 2014/15 will represent the key years in delivering WDS. This forecast represents the whole WDS allocation being committed by March 2016.

| Programme Breakdown | TOTAL to March 2013 | 2013/14 Forecast | 2014/15 Forecast | 2015/16 Forecast | 2016/17 Forecast | TOTAL Forecast Spend |
|---------------------|---------------------|------------------|------------------|------------------|------------------|----------------------|
| <b>Total:</b>       | <b>£98.8m</b>       | <b>£80.6m</b>    | <b>£87.2m</b>    | <b>£50.1m</b>    | <b>£3.7m</b>     | <b>£320.5m</b>       |

**WDS spend profile (£millions)**



## Programme

49. The following gives an overview summary of the planned programme. This represents the continued acceleration of the programme, with some works brought forward from later years in the programme. For a more detailed breakdown see Appendix 3.

| Programme Breakdown                                  | Planned Start on site Date | Original planned start on site date | Comment   |
|--|----------------------------|-------------------------------------|---|
| WDS - Landlord Obligations (Individual Heating)      | Ongoing Programme          | Ongoing Programme                   | Yearly programme has been accelerated with allocation from 15/16 brought forward.   |
| <b>WDS - Landlord Obligations (District Heating)</b> |                            |                                     |   |
| District Heating 13/14                               | 2011/12<br>2013/14         | -<br>13/14                          | Some 13/14 schemes have been brought forward and completed with the rest due on site in 2013/14.<br>No new schemes were planned for 2014/15.<br>The 2015/16 schemes are planned to be brought forward to 2014/15. |
| District Heating 14/15                               | -                          | -                                   |   |
| District Heating 15/16                               | 2014/15                    | 15/16                               |   |

| <b>Programme Breakdown</b>                    | <b>Planned Start on site Date</b> | <b>Original planned start on site date</b> | <b>Comment</b>   |
|---|-----------------------------------|--|--|
| WDS - Landlord Obligations (Electrical Works) | Ongoing Programme                 | Ongoing Programme                          | The remaining £5.5m in the budget for FRA electrical works is being used in the FRA budget. A further £1.9m is available for essential replacement of communal, lateral electrical wiring and associated equipment in future years as part of the ongoing WDS programme. |
| WDS - Landlord Obligations (Lifts)            | Ongoing Programme                 | Ongoing Programme                          | The programme is expected to continue to run to schedule.  |
| Warm, Dry, Safe Estate Properties 13/14       | 2013/14                           | 2013/14                                    | Due to the delayed start for 2012/13 and the mutual conclusion of Breyers works contract, the start of some of the 2013/14 schemes were delayed to later in the year.  |
| Warm, Dry, Safe Estate Properties 14/15       | 2013/14<br>2014/15                | 2014/15                                    | £14.9m of works were brought forward into 2013/14 and the rest of the works are planned to start in early 2014/15.   |
| Warm, Dry, Safe Estate Properties 15/16       | 2014/15<br>2015/16                | 2015/16                                    | Approximately £12.8m works are being brought forward into 2014/15 with the rest planned to start on site in early 2015/16.   |
| WDS Street Properties 13/14                   | 2013/14                           | 2013/14                                    | Due to the delayed start for 2012/13 street properties, the start of the 2013/14 street properties was delayed to later in the year.   |
| WDS Street Properties 14/15                   | 2014/15                           | 2014/15                                    | The 2014/15 street properties programme is expected to run to schedule.  |
| WDS Street Properties 15/16                   | 2015/16                           | 2015/16                                    | The 2015/16 street properties programme is expected to continue to run to schedule.  |
| Hawkstone Refurb                              | 2013/14                           | 2015/16                                    | Hawkstone Low Rise is expected on site in 2013/14.   |
| Maydew Refurb                                 | 2014/15                           | 2015/16                                    | Maydew is expected to start on site earlier than planned in 2014/15.   |

| <b>Programme Breakdown</b> | <b>Planned Start on site Date</b> | <b>Original planned start on site date</b> | <b>Comment</b>       |
|----------------------------|-----------------------------------|--|----------------------|
| Minor Voids Capitalisation | Ongoing Programme                 | Ongoing Programme                          | Capitalisation only. |
| Minor Voids WDS Works      | Ongoing Programme                 | Ongoing Programme                          | Minor voids works.   |

50. The main points of note from the programme are:
- a. £14.9m of works have been brought forward from 2014/15 to start in 2013/14, due to the Decent Homes backlog funding for being confirmed by the GLA.
  - b. A rescheduled start to the 2013/14 programme due to the reasons stated in the background and the delay caused to the 2012/13 programme.
  - c. Approximately £12.8m of works forward from the 2015/16 programme subject to confirmation from the GLA of the Decent Homes backlog funding.
  - d. The 2015/16 district heating schemes are planned to be brought forward to 2014/15.
51. The programme reprioritisation has been able to respond to resident priorities, enabling a number of estates / blocks in the programme including Priory Court, Pelican Estate, Havil Street, Lettsom Estate, Comus House, Heaton House and some blocks on the Tabard Estate to be brought forward. Discussions are also taking place with contractors to bring forward other estates raised as a priority including Rye Hill Park Estate, Caroline Gardens, Brimington Estate, Street Properties, Melford Court, Forbes Court/ Gould Court, Princess Court and Countisbury House.

## **RESOURCES**

### **Additional resources secured**

52. The 18 October cabinet report allowed for £29m of backlog funding towards the Housing Investment Programme. After a successful bid for backlog funding the council has received grants for £12.1m in 2012/13 and provisionally been allocated £15m in 2013/14 and £50.7m in 2014/15 based upon making agreed numbers of properties Decent. This is an additional £48.8m that was not accounted for in the original resources planned for the programme. The confirmation of this funding has allowed for the WDS programme to be brought forward.
53. British Gas is required to undertake works to reduce Carbon Emissions and is keen to work with social landlords to use resources to reduce emissions by carrying out environmental work on estates. The council is working with British Gas to deliver environmental improvements including roofs, windows and cavity work. This is at a notional cost to Southwark. The council is piloting an initial package of works in Bermondsey and Rotherhithe and if successful this will be rolled out to a larger number of properties. This work reduces the cost of work required through WDS by completing work such as flat roofs and windows and also provides additional benefits such as cavity wall insulation and cladding. As British Gas are carrying out this work it also will mean that this is at no charge to

leaseholders, therefore it will reduce leasehold bills in delivering WDS. As this is a pilot, the council will need to assess the success of the work and the likely impact on resources. The cost of windows and flat roofs alone for 2013-16 WDS estates was estimated to be around £40m, so there is a huge potential for increased funding for the WDS programme. This is potentially great news for delivering value for residents and especially good news for leaseholders for whose bills would be greatly reduced. Although the potential is huge we will monitor the success of the pilot before expediting the benefits across a larger number of properties. In addition to the British Gas pilot we are also in talks to secure funding through our partnering contractors Apollo to provide insulation and cladding on Drayton and Langland on the Elmington Estate.

### Planned Resources

54. The original resource estimates for WDS resources were based on information from the stock condition survey. Stock condition is a planning tool that allows prioritisation and estimates of costs of work. At the time of the WDS programme being put together the stock condition database contained 11% of real data. Meaning that actually only 11% of the stock had actually physically been surveyed. The other 89% of the data was cloned based upon this survey. Using this data a programme of works across the stock was put together to meet the WDS standard in the report to cabinet in May 2011. The key elements in need of replacement were assigned costs based on the costs in the partnering contracts. A 30% increase took into account other costs such preliminary works as well as contractors and Southwark's management costs. Inflation was also accounted for.
55. The first schemes on the programme that were estimated from the stock condition survey were the 2012/13 programme. When the schemes were due to start contractors carried out detailed surveys and priced the works before agreeing them with the council. Management costs were then applied. Initial work has indicated that the estimates from the stock condition survey are generally underestimating the scope and cost of works.
56. The estimates for the stock condition for 2012/13 WDS programme against agreed project costs where they have been finalised:

| Project Name         | Original WDS Budget | Effective Approved Budget | Cost Difference | % increase | Funding for difference |
|----------------------|---------------------|---------------------------|-----------------|------------|------------------------|
| Brandon (Camberwell) | £449,202            | £1,002,998                | £553,796        | 123%       | Contingency            |
| Comber Phase 1       | £1,000,379          | £3,049,561                | £2,049,182      | 205%       | Contingency            |
| Comber Phase 2       | £400,000            | £702,311                  | £302,311        | 76%        | Contingency            |
| Croxted Road**       | £107,164            | £1,194,857                | £1,087,693      | 1015%**    | Contingency            |
| Elmington WDS        | £1,870,631          | £3,288,501                | £1,417,870      | 76%        | Contingency            |

| Project Name                               | Original WDS Budget | Effective Approved Budget | Cost Difference   | % increase | Funding for difference |
|--|---------------------|---------------------------|-------------------|------------|------------------------|
| Elmington (Drayton Langland)               | £1,500,000          | £2,095,813                | £595,813          | 40%        | Contingency            |
| Street properties 2012/3 (inc Sunray 2012) | £3,439,003          | £4,656,319                | £1,217,315        | 35%        | Contingency            |
| <b>TOTAL</b>                               | <b>£8,766,379</b>   | <b>£15,990,359</b>        | <b>£7,223,979</b> |            |                        |

\*\*The increase at Croxted Road was largely due to a roof replacement that was not identified in the original stock condition survey.

57. This shows an average of 82% increase in the approved budget against the original programmed estimated costs for the prices that have been agreed. The main reasons for the difference in costs are:

- a. the fact that there was only 11% real stock data
- b. insufficient allowance scaffolding costs and asbestos costs
- c. preliminary work costs
- d. other non WDS related work costs that did not form the estimate but should be done at the same time as WDS works for efficiency reasons.

58. An allowance was made in the estimate based on the information available at that time but it has been found that so far this has proved insufficient to cover the full costs of actually delivering WDS in practice.

59. Although the costs are coming out higher than expected, the works are addressing the priorities set by cabinet of ensuring that homes are Warm, Dry and Safe.

60. The major works team are in the process of remodelling costs based on the actual agreed budgets and updated stock condition data. Using Southwark's in house surveyors around 32% of the stock data is now from actual surveys and this has focused specifically on the programmed works giving a more accurate picture of the likely work to the estates and the programmes. However, further work is required to model the resources required.

61. The council has in principle secured an additional £48.8m through backlog funding that was not part of the agreed resources in the 18 October 2011 report. In addition, if the pilots are successful, the British Gas funded works could potentially have a huge impact on reducing the costs of delivering WDS. Although it is too early to fully assess the impact the resources that might be delivered by British Gas, estimated savings from the pilot scheme indicate that significant savings could be made, especially where schemes require windows and flat roofs to meet WDS.

62. A further half year WDS report in December 2013 will contain a revised cost estimate based on actual budget costs from 2013/14 programme and will estimate the likely contribution that British Gas can make to the cost of the programme. A full forward programme based on those revised costs will be

provided.

63. In the meantime, given the levels of spend required to meet WDS an additional £48.8m provisionally secured through additional Decent Homes backlog funding is to be added to the investment programme assumptions on top of the £326m already allocated to WDS. A further report in December 2013 will formally request for any additional resources, if required, for the completion of the WDS programme.

### **The Right Priorities and Resident Perception**

64. From 2000 the UK Government required all social housing to meet set standards of Decency by 2010. In coming to power the current administration was determined to ensure all residents benefited from capital investment by ensuring that this standard was met and meeting its manifesto commitment of making all homes Warm, Dry and Safe. Having missed the original Government deadline, Southwark is now ensuring that it complies with the standards as soon as possible which continue to apply through the Homes and Communities Agency's Regulatory Framework For Social Housing In England, that states "*registered providers shall ensure that tenants' homes meet the standard set out in section five of the Government's Decent Homes Guidance and continue to maintain their homes to at least this standard*".
65. Through the "Putting Residents First" consultation programme the council are actively engaging with residents on all aspects of the works. Whilst most tenants are pleased that they are receiving works to their properties, some leaseholders are understandably concerned about the costs they will incur as a result of works that are being undertaken. The funded WDS programme brings all properties up an agreed standard and means that all residents will enjoy a Warm, Dry and Safe home. However, tenants understandably have aspirations beyond WDS and this is expressed either through strong views about what works should be carried out or by not engaging in the consultation programme. Officers are already working up an asset management strategy in tandem with the consultation on the Housing Commission which will make recommendations for the focus beyond the delivery of the current WDS programme which concludes in 2016. The feedback on the quality of the WDS programme is collated quarterly via a consultation survey.
66. The consolidated 2012/13 survey results are:
- a. Satisfied with quality of works – 75% (17% dissatisfied, 8% neither )
  - b. Satisfied with service provided by contractors – 65% (19% dissatisfied, 16% neither)
  - c. Satisfied that views being taken into account during the consultation process – 61% (18% dissatisfied, 21% neither)
  - d. Satisfaction with service provided by Southwark – 62% (21% dissatisfied, 17% neither)
67. Further work is required to analyse the reasons for dissatisfaction in order to improve the service. An early meeting for leaseholders has already been introduced to talk to them about the scope and costs of works. As more schemes are completed the major works team will be working with contractors to ensure that a higher return rate is achieved. Further benchmarking and analysis of the survey and the results will be undertaken to give further information that can be

used to improve the service.

### **Contracts and Achieving Value for Money**

68. The council has been working with its partnering contractors to deliver price harmonisation and value in the supply chain. This is yielding better value in delivering key elements required to deliver WDS. With the mutual conclusion of two of the five partnering contracts the council will be able to further test the market through tendering of contracts which will provide a benchmark on costs of key elements and work.
69. Going forward the council is currently exploring options to make sure that it has efficient and excellent value from its contracts. The current framework contracts that still remain in place are the first option to deliver works, however, the council is also exploring other frameworks for the future including two lists of 6-10 contractors that could be chosen to tender for projects across the borough.

### **Future Work Streams**

70. The Southwark Housing Commission places the *development of a long-term (30-year) strategy for council housing under the HRA* at the heart of the Commission's report. To support *more cost-effective approaches to decision making so that the value of the assets can be maximised* a 30-year asset management strategy will be developed following the consideration of the responses to the consultation and in line with the strategy for council housing. With the HRA now self financing coupled with the borrowing headroom the council has an opportunity to do things differently, but this must be supported by sound asset led information to make sure cost effective decisions are taken.
71. Further development of the asset management information and systems will support the development of the asset strategy. This will allow for a more informed consideration of the long-term risk on assets and liabilities. Improved data will help assess which estates are not economical to repair and will be key in developing cost-effective approaches to decision making so that the value of the assets can be maximised. With this in mind the Housing and Community Services Department is exploring requirements for a system to serve it in terms of information and capability. This may include development of the current Apex system or procurement of a new system.

### **Other Major Works Projects**

72. A further million pounds from revenue a resource has been earmarked for external and communal decorations. The programmes will be carried out in conjunction with the existing 2013/14 WDS programme and the intention is to target resources at Spenlow House on the Dickens Estate and street properties.
73. Proposals are expected back by May to look at developer proposals for the Aylesbury Estate. The WDS programme will have to be assessed to ensure that investment reflects value with the scheduling of the regeneration works. Heating proposals may also need upgrading to ensure the service is maintained throughout the regeneration process. Significant investment has been required to the existing heating network and this will need to be funded from the Aylesbury planned preventative budget.



74. Phase 1 of programme of works to refurbish TRA halls has begun and a hostels capital programme continues with work begun at Priter Road. The hidden homes programme is being delivered with a scheme worth £689k in works and fees currently on site.

### **Programme Investment Delivery**

75. To ensure the successful delivery of the programme the project teams within the major works division who responsible for the delivery of projects are given clear milestones and targets to work to along with clear levels of delegated authority.
76. The head of major works is responsible for the delivery of the programme. Progress against targets and strategic issues are addressed by the strategic director of housing and community services when required and in chairing a monthly major works monitoring group.
77. There are clear approval/gateway processes to make sure that prior to committing works the right level of quality in performance, health and safety and wider council requirements such as equalities, sustainability and local economic benefits will be achieved.
78. As well as project and programme budget monitoring within the major works teams, spend and forecasts are monitored through the housing investment board backed by the capital finance team to ensure that financial management procedures are in place.
79. An annual progress report will be sent to cabinet with a further report this year in December 2013 containing revised cost estimates for the completion of the programme.

### **Conclusion**

80. The WDS programme is on course to be fully committed by the end of 2015/16. The overall programme continues to accelerate, despite the initial delays whilst waiting for the decision of the Upper Tribunal on the major works partnering contracts and some schemes being delayed whilst alternative provisions were put in place following the swift actions taken to resolve contractual issues. From a relatively low spend in 2011/12, the 2012/13 spend target was achieved and the programme is continuing to accelerate into 2013/14. The current year will be key in the delivery of the overall WDS programme, with the 2012/13 schemes completing and the 2013/14 and 2014/15 brought forward schemes starting on site.

### **Policy implications**

81. This paper provides an update to the key fairer futures promise of delivering Warm, Dry and Safe homes.
82. This paper provides an update to the delivery of the Government's Decent Homes Standard.

### **Community impact statement**

83. The community impact of the proposed programme was assessed as part of the 31 May 2011 report titled Housing Investment Programme and Revised Strategy.
84. Southwark's Housing Requirements Study 2008 found that certain types of households are over-represented in the borough's social housing, e.g. lone parents and pensioner households. Of pensioner household, for example, 69.1% live in social rented housing. The study also found that 40% of council renters contain at least one person with a health problem and that disadvantaged groups overall are more likely to be living in social housing, for example, certain BME groups.
85. There is increasing evidence of a link between poor housing conditions and ill health. The proposals in this report to make homes warm, dry and safe are likely to have health benefits for tenants and residents.
86. Replacing single glazed windows with double-glazing and replacing older, less efficient heating systems, increasing the thermal efficiency of council homes will have benefits for all residents benefiting from the investment strategy, through reducing carbon emissions.
87. Providing better thermal insulation, improving communal heating systems etc. This priority should benefit all communities. The Housing Needs survey 2003 found that certain ethnic groups were overrepresented in homes with poorer thermal comfort ratings. Furthermore, people on fixed incomes, e.g. pensioners, people on benefits and other groups suffering from fuel poverty will also benefit from more energy efficient homes.
88. A possible impact depending on how areas are prioritised for works is the way communities are clustered in the blocks benefiting from investment. If the public perception is that some communities are disproportionately benefiting from investment this might cause issues if other groups are perceived to be losing out.
89. Therefore, in order to pay due regard to the Equality Act general duty to "Foster good relations between persons who share a relevant protected characteristic and person who do not share it" an analysis of the demographics of the people living in the blocks benefiting from investment is recommended. The data will help to ensure the council can robustly explain the basis of the investment strategy decisions and the correlation to the communities and people with protected characteristics that happen to live in the blocks.

### **Investment implications**

90. The Housing Investment Programme (HIP) seeks to ensure that investment in the housing stock is targeted in line with the council's priorities, such as making all homes Warm Dry and Safe, and its other obligations as a landlord. It is planned around the level of resources estimated to be available for the coming years. These include a number of different funding streams, which have varying degrees of certainty, making it essential that the programme has flexibility to respond to changing circumstances.

91. It is important that any change in the assumptions around the level of resources is included into the HIP estimates to ensure that adequate level of resources is made available to deliver Warm, Dry and Safe homes.

### **Resource implications**

92. The report sets out progress made against the WDS programme to date and targets over the remaining programme period to 2015/16. Funding of £326m was originally identified for WDS as part of the wider investment programme of £465m in October 2011. Only £29m of Decent Homes backlog funding was assumed as part of the resource pot and subsequently an additional £48.8m has been approved by the GLA (£77.8m in total).
93. Experience to date shows that scheme costs generally are running in excess of the original estimates for the reasons set out in the report and is likely to require further resources to be committed to the programme. Detailed work is currently being undertaken to better assess the likely resource needs and will be reported to cabinet in December 2013. In the interim, it is proposed to provisionally earmark the additional backlog funding for the WDS programme.

### **Consultation**

94. This update report will be sent to Home Owners Council and Tenant Council following cabinet approval.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

95. This report requires cabinet to note a number of actions relating to the Warm, Dry and Safe programme. There are no specific legal implications regarding the recommendations noted in this report. Officers from legal services will continue to provide legal advice (when required) to the Warm, Dry and Safe initiative.

### **Strategic Director of Finance and Corporate Services (FC13/033)**

96. This report is requesting cabinet to note the status of the Housing Investment Programme with reference to the Warm, Dry and Safe programme and the appendices provide details by schemes.
97. The report is also requesting cabinet to note that an additional £48.8m secured through Decent Homes backlog funding is added to the investment assumptions for the delivery of the Warm, Dry and Safe programme in addition to the current resources. It is noted that the additional funding expected is provisional and will be based on the number of properties being made decent.
98. It is understood that this expected additional grant funding is currently included as contingency within the Housing Investment Programme until the costs of the Warm, Dry and Safe projects are reviewed for a further report to cabinet in December 2013. The report in December 2013 is expected to provide an update on the costs of the Warm, Dry and Safe programmes together with this additional grant funding.

99. It is also noted that Council collaboration with British Gas to deliver environmental improvements projects may deliver significant savings on the current Warm, Dry and Safe programmes and lead to additional funds available for WDS projects, as reflected in paragraph 53. However, it should be noted that no commitments should be made at this stage beyond the £326m budget agreed by cabinet on 18 October 2011 and a further report in December 2013 will formally request for any additional resources, if required, for the completion of the Warm, Dry and Safe programme.

## BACKGROUND DOCUMENTS

| Background Papers   | Held At  | Contact                         |
|---|--|---------------------------------|
| Housing Investment Programme – Confirmation of Five Year Programme and Update on the High Investment Need Estates Options Appraisal Project 18 October 2011. The document is available to view on this web page:<br><a href="http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=302&amp;MId=3816&amp;Ver=4">http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=302&amp;MId=3816&amp;Ver=4</a> | Southwark Council<br>Major Works<br>Housing and Community Services Department<br>Hub 3, 3rd Floor<br>PO Box 64529<br>London SE1P 5LX | Richard George<br>020 7525 3293 |
| Housing Investment Programme and Revised Strategy 31 May 2011. The document is available to view on this web page:<br><a href="http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=302&amp;MId=3866&amp;Ver=4">http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=302&amp;MId=3866&amp;Ver=4</a>   | Southwark Council<br>Major Works<br>Housing and Community Services Department<br>Hub 3, 3rd Floor<br>PO Box 64529<br>London SE1P 5LX | Richard George<br>020 7525 3293 |

## APPENDICES

| No.        | Title                                 |
|------------|---------------------------------------|
| Appendix 1 | Housing Investment Programme Overview |
| Appendix 2 | Programme Achievements                |
| Appendix 3 | Outline future programme              |

**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 Housing & Community Services                      |                          |
| <b>Report Author</b>  | David Markham, Head of Major Works  |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 13 June 2013  |                          |
| <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>                    | 13 June 2013  |                          |

## Major Works Status Report incorporating Warm, Dry and Safe

### Overview of the Cabinet agreed programme from 18 October 2011

### Appendix 1

| Programme Breakdown                              | 2011/12            | 2012/13           | 2013/14<br>inflation<br>6.33%)<br>(inc.<br>@ | 2014/15<br>Inflation<br>9.5%)<br>(inc.<br>@ | 2015/16<br>Inflation<br>12.22%)<br>(inc.<br>@ | Total              |
|--|--------------------|-------------------|--|---|---|--------------------|
| Four Squares Security (New Place Estate)         | 0                  | 500,000           | 4,500,000                                    | 0   | 0   | 5,000,000          |
| Four Squares WDS (New Place Estate)              | 0                  | 250,000           | 7,317,403                                    | 0   | 0   | 7,567,403          |
| WDS - FRA Moderate Contingency                   | 0                  | 5,000,000         | 0  | 0   | 0   | 5,000,000          |
| WDS - FRA Substantial Contingency                | 0                  | 2,500,000         | 0  | 0   | 0   | 2,500,000          |
| Elmington  | 0                  | 700,000           | 800,000                                      | 0   | 0   | 1,500,000          |
| WDS - Landlord Obligations (Individual Heating)  | 8,110,000          |                   | 4,000,000                                    | 4,000,000                                   | 4,000,000                                     | 20,110,000         |
| WDS - Landlord Obligations (District Heating)    | 5,936,298          |                   | 3,661,358                                    | 4,650,808                                   | 3,173,500                                     | 17,421,964         |
| WDS - Landlord Obligations (Electrical Works)    | 2,350,000          |                   | 2,300,000                                    | 2,700,000                                   | 2,700,000                                     | 10,050,000         |
| WDS - Landlord Obligations (Lifts)               | 5,020,000          |                   | 1,780,000                                    | 2,500,000                                   | 1,500,000                                     | 10,800,000         |
| Contingency                                      | 0                  | 2,000,000         | 3,400,000                                    | 4,000,000                                   | 12,593,755                                    | 21,993,755         |
| 2010 - Warm, Dry, Safe (Roofs & Windows Plus)    | 0                  | 10,619,169        | 26,974,339                                   | 34,121,947                                  | 16,659,408                                    | 88,374,864         |
| 2011 - Warm, Dry, Safe (Roofs Windows Plus)      | 0                  | 0                 | 0  | 0   | 599,096                                       | 599,096            |
| 2012-15 - Warm, Dry, Safe (Roofs & Windows Plus) | 0                  | 0                 | 0  | 0   | 392,856                                       | 392,856            |
| 2010 - Warm, Dry, Safe (Non Roofs & Windows)     | 0                  | 0                 | 0  | 0   | 9,654,846                                     | 9,654,846          |
| 2011 - Warm, Dry, Safe (Non Roofs & Windows)     | 0                  | 0                 | 0  | 0   | 1,143,859                                     | 1,143,859          |
| 2012-15 - Warm, Dry Safe (Non Roofs & Windows)   | 0                  | 0                 | 0  | 0   | 488,291                                       | 488,291            |
| 2010 - WDS Street Properties                     | 0                  | 2,462,907         | 3,172,127                                    | 3,521,248                                   | 0   | 9,156,282          |
| 2011-15 - WDS Street Properties                  | 0                  | 0                 | 0  | 0   | 1,777,564                                     | 1,777,564          |
| Hawkstone Refurb                                 | 0                  | 0                 | 0  | 0   | 7,000,000                                     | 7,000,000          |
| Maydew Refurb                                    | 0                  | 0                 | 0  | 0   | 11,000,000                                    | 11,000,000         |
| <b>Sub-Total:</b>                                | <b>12,766,298</b>  | <b>32,682,076</b> | <b>57,905,227</b>                            | <b>55,494,003</b>                           | <b>72,683,174</b>                             | <b>231,530,779</b> |
| Leathermarket                                    | 1,100,000          | 1,100,000         | 1,100,000                                    | 1,100,000                                   | 1,100,000                                     | 5,500,000          |
| Minor Voids Capitalisation                       | 3,000,000          | 3,000,000         | 3,000,000                                    | 3,000,000                                   | 3,000,000                                     | 15,000,000         |
| Minor Voids WDS Works                            | 1,000,000          | 1,000,000         | 1,000,000                                    | 1,000,000                                   | 1,000,000                                     | 5,000,000          |
| Current Schemes                                  | 68,969,221         |                   | 0  | 0   | 0   | 68,969,221         |
| <b>Total:</b>                                    | <b>124,617,596</b> |                   | <b>63,005,227</b>                            | <b>60,594,003</b>                           | <b>77,783,174</b>                             | <b>326,000,000</b> |

A review of the planned WDS programme up to March 2013

**Four Squares (New Place Estate)**

Status: **On site**  
 Type of works: **WDS plus additional funding as a High Investment Needs Estate (HINE)**  
 Original Agreed budget: **£12.6m (£7.6m WDS works £5m security)**

**Comment:** Despite being affected by the Wates contract, the Four Squares estate is on site as scheduled and beginning to spend. Four Squares is a High Investment Needs Estate. A total of £26.6m will be invested over the two years including £12.6m from WDS funding. An options appraisal exercise to determine the scale of works required to the estate and the different approaches that could be taken was carried out. It was decided that an enhanced refurbishment scheme would be undertaken and that void properties on the estate would be disposed of to contribute to the value of £9m. Following the decision, a condition survey was undertaken, and a number of structural problems came to light, including brick slips falling from the towers and the instability of several gable ends. As a result, the Council commissioned a comprehensive structural survey of the Estate which recommended a number of structural works particularly to the south west stair towers of Layard and Marden. Whilst the internal and security has already begun, the work package is being drawn up for the external work that will address the structural issues identified. The funding estimate for this estate did not include these additional structural works.

| Budget Area                              | Scheduled WDS Spend to March 2013 | Actual spend to March 2013 | Progress | Status / Comments                                 |
|--|-----------------------------------|----------------------------|----------|---|
| Four Squares Security (New Place Estate) | £0.5m                             | £0.4m                      | On site  | Four squares has started in 2012/13 as scheduled. |
| Four Squares WDS (New Place Estate)      | £0.3m                             | £2.1m                      |          |   |

**Elmington Estate**

Status: **On site**  
 Type of works: **WDS and additional works to Drayton / Langland only**  
 Original Agreed budget: **£1.5m**

## Major Works Status Report incorporating Warm, Dry and Safe

### A review of the planned WDS programme up to March 2013

**Comment:** This scheme is running well and is projected to run between 2012/13 and 2013/14 as outlined in the original agreed programme. The schemes budget and been revised and agreed through delegated approval to £2.1m with the additional funding coming from the contingency allowed in the programme. The works are to complete works to Drayton and Langland only as Elmington is part of wider regeneration work which includes the redevelopment of other parts of the estate.

| Budget Area | Scheduled WDS Spend to March 2013 | Actual spend to March 2013 | Progress | Comments   |
|-------------|-----------------------------------|----------------------------|----------|--|
| Elmington   | £0.7m                             | £1.6m                      | On site  | Elmington was scheduled to start in 2012/13 and complete in 13/14. |

### Landlord Obligations (Individual Heating)

Status:

#### Ongoing programme of boiler replacements

Type of works: To support the capitalisation of heating works undertaken via the term contractors as part of the ECON contract.  
Original Agreed budget: £20.1m

**Comment:** An additional £3.6m has been brought forward from our 2015/16 individual heating programme into 2012/13 meaning inefficient boilers are being replaced with more efficient models helping to deliver earlier savings for residents and tackle fuel poverty. 3669 boilers have been replaced in 2012/13 alone. Tadworth House heating has also been completed.

| Budget Area                               | Scheduled WDS Spend to March 2013 | Actual spend to March 2013 | Progress        | Comments  |
|---|-----------------------------------|----------------------------|-----------------|---|
| Landlord Obligations (Individual Heating) | £8.1m                             | 11.7m                      | Ongoing (ahead) | This programme has been accelerated and is running ahead of schedule. |



## Major Works Status Report incorporating Warm, Dry and Safe

### A review of the planned WDS programme up to March 2013

#### Landlord Obligations (District Heating)

Status: Ongoing programme of district heating works  
 Type of works: District Heating Works  
 Original Agreed budget: £17.4m

**Comment:** Overall the district Heating Programme is running well with even some of the 2013/14 programme completed already.

| Budget Area                             | Scheduled WDS Spend to March 2013 | Actual spend to March 2013 | Progress                                     | Comments   |
|---|-----------------------------------|----------------------------|--|--|
| Landlord Obligations (District Heating) | £5.9m                             | £5.1m                      | Ongoing schemes (some ahead, others delayed) | Some schemes have been brought forward from 2013/14 however some of the planned schemes for first two years have been delayed due to the need to carry out extensive consultation with residents. Overall this means the district heating programme is progressing well. |

#### Individual Scheme progress (district heating 2011-2013)

| Scheme                | Progress           | Status / Comments   |
|-----------------------|--------------------|---|
| New Place flow header | Works not required | Works not required, money moved to BEMS <sup>1</sup> upgrade. |

<sup>1</sup> Building Management Systems (BEMS) monitor and control services such as heating, ensuring they operate at maximum levels of efficiency and economy. This is achieved by maintaining the optimum balance between environmental conditions, energy usage and operating requirements.

## Major Works Status Report incorporating Warm, Dry and Safe

### A review of the planned WDS programme up to March 2013

| Scheme                  | Progress    | Status / Comments  |
|-------------------------|-------------|--|
| Gilesmead heating       | Delayed     | This project was delayed whilst the council carried out detailed consultation with residents on their concerns regarding district heating. The project is due to start on site in 2013/14. |
| Plant pld               | On schedule | This spend on this programme has been accelerated with more capital works being carried out on district heating than originally planned.   |
| Kinglake Heating/Boiler | Completed   | Completed  |
| Salisbury Heating       | Delayed     | Delayed due to planning issues and the need to carry out extensive resident consultation. Due on site in 2013/14.  |
| Portland St ctls        | Completed   | Completed under budget with the remainder transferred to BEMS  |
| Newington Heating       | Completed   | Completed  |
| Newington Mains         | Delayed     | Procurement was delayed and due to works needing take place in the summer this in now due on site in 2013/14.  |

In addition the following works have been brought forward from the 2013/14 programme:

| Scheme                               | Progress | Status / Comments  |
|--------------------------------------|----------|--|
| New Place Boiler Replacement         | On site  | Due to complete in early 2013/14.  |
| BEMS upgrade                         | On site  | Increased budget from efficiencies elsewhere due to complete in 2013/14.   |
| Kinglake Heating/Boiler              | Complete | Completed under original budget costs. Surplus budget transferred to BEMS. |
| Neville Boiler House boiler and flue | Complete | Completed  |

It will also be necessary to bring forward works at Acorn Estate as part of the scheme to continue provision of service following the redevelopment of the site of the former Wooddene block.

### WDS Estates and WDS Street Properties

Status: See individual schemes below  
 Type of works: WDS  
 Original Agreed budget: £13.1m (for the 2012/13 programme only)

## Major Works Status Report incorporating Warm, Dry and Safe

### A review of the planned WDS programme up to March 2013

**Comments:** Many of the schemes are now on site, however, all of these schemes were delayed due to the LVT decision and some have been further delayed due to the ending of partnering contracts. Where the partnering contracts have ended alternative arrangements have been put in place using back up contractors or tendering the works. Some of these schemes are costing more than predicted from the original stock condition survey data. For further details see the resources section of the report.

| Budget Area                           | Scheduled WDS Spend to March 2013 | Actual spend to March 2013 | Overall Progress  | Comments   |
|---------------------------------------|-----------------------------------|----------------------------|-------------------|--|
| WDS Estates and WDS Street Properties | £13.1m                            | £6.6m                      | Ongoing (Delayed) | The delayed decision from the LVT / Upper Tribunal delayed the start of these schemes. Some further delays have been caused with the mutual conclusion of the Wates and Breyers works contracts. |

| Original programmed works                             | WDS | Progress | Area       | Ward                   | Status / Comments   |
|---|-----|----------|------------|------------------------|---|
| Brandon Estate (Camberwell) 2012                      |     | On site  | Camberwell | Camberwell Green       | Due to complete in 2013/14.   |
| Croxted Road 2012                                     |     | On site  | Dulwich    | College                | Due to complete in 2013/14.   |
| Brandon 2012 contract 1,2&3 (Walworth)                |     | Delayed  | Walworth   | Newington              | Further delayed due to the mutual conclusion of the Beyer contract. Due to start 2013/14 with the back up contractor A&E Elkins taking on this contract following a resident ballot which overwhelmingly selected them. |
| Dickens WDS 2012                                      |     | Delayed  | Bermondsey | Riverside              | Also affected by the ending of the Wates contract. Due on site in 2013/14.  |
| Comber 2012 Phase 1 & 2                               |     | On site  | Camberwell | Camberwell Green       | Due to complete in 2013/14.   |
| Elmington 2012  |     | On site  | Camberwell | Camberwell Green / Vrs | Due to complete in 2013/14.   |
| WDS Street Properties 12/13 (including Sunray Estate) |     | On site  | Various    | Various                | Due to complete in 2013/14, however discussions are taking place with some leaseholders in regards to the scope of the  |

**Major Works Status Report incorporating Warm, Dry and Safe**

**A review of the planned WDS programme up to March 2013**

|  |  |
|--|--|
|  | works, which could change the practical completion date. |
|--|--|

**WDS - Landlord Obligations (Electrical Works)**

Status: **A programme of works**  
 Type of works: **Essential electrical works which have arisen as a result of FRA electrical tests and essential replacement of communal, lateral electrical wiring and associated equipment**  
 Original Agreed budget: **£10.1m**

**Comment:** FRA electrical works have been undertaken. An additional £5m revenue funding has been spent on electrical works, the remaining £5.5m in the budget for FRA electrical works will be used in the FRA budget. A further £1.9m is available for essential replacement of communal, lateral electrical wiring and associated equipment in future years as part of the ongoing WDS programme.

| Budget Area                                   | Scheduled WDS Spend to March 2013 | Actual spend to March 2013 | Overall Progress | Comments  |
|---|-----------------------------------|----------------------------|------------------|---|
| WDS - Landlord Obligations (Electrical Works) | £2.4m                             | £3.0m                      | Ongoing          | This has been delivered as expected under the first two years of the programme. |

**WDS - Landlord Obligations (Lifts)**

Status: **Ongoing programme**  
 Type of works: **To replace lift parts which have become obsolete, resulting in ever increasing service failures. These works will result in improved lift performance and reliability.**  
 Original Agreed budget: **£10.1m**

**Comment:** The lift programme continues to run to schedule with 84 lifts having been refurbished by March 2013.

| Budget Area | Scheduled WDS Spend to March 2013 | Actual spend to March 2013 | Overall Progress | Comments |
|-------------|-----------------------------------|----------------------------|------------------|----------|
|             |                                   |                            |                  |          |

**Major Works Status Report incorporating Warm, Dry and Safe**

**A review of the planned WDS programme up to March 2013**

|                                    |       |       |                |  |
|------------------------------------|-------|-------|----------------|--|
| WDS - Landlord Obligations (Lifts) | £5.0m | £5.8m | <b>Ongoing</b> | This programme is running well and is on schedule. |
|------------------------------------|-------|-------|----------------|--|

**Minor Voids Capitalisation**

Status: **Ongoing programme**  
 Type of works: **Capitalisation of voids works**  
 Original Agreed budget: **£15.0m**

| <b>Budget Area</b>         | <b>Scheduled WDS Spend to March 2013</b> | <b>Actual spend to March 2013</b> | <b>Overall Progress</b> | <b>Comments</b>               |
|----------------------------|--|-----------------------------------|-------------------------|-------------------------------|
| Minor Voids Capitalisation | £6.0m                                    | £6.0m                             | <b>Ongoing</b>          | Capitalisation of voids works |

**Minor Voids WDS Works**

Status: **Ongoing programme**  
 Type of works: **Minor voids works**  
 Original Agreed budget: **£5.0m**

| <b>Budget Area</b>    | <b>Scheduled WDS Spend to March 2013</b> | <b>Actual spend to March 2013</b> | <b>Overall Progress</b> | <b>Comments</b>   |
|-----------------------|--|-----------------------------------|-------------------------|-------------------|
| Minor Voids WDS Works | £2.0m                                    | £1.8m                             | <b>Ongoing</b>          | Minor Voids Works |

## Major Works Status Report incorporating Warm, Dry and Safe

### A review of the planned WDS programme up to March 2013

#### Current Schemes incorporating FRA Moderate and Substantial Contingency

Status:

See breakdown below

Type of works: Incorporated all current schemes at the time of the Warm, Dry and Safe, mainly the FRA programme and the two year programme.

Original Agreed budget: £76.5m (£69m Current Schemes budget + £5m FRA Moderate contingency and £2.5m FRA Substantial contingency)

| Budget Area     | Scheduled WDS Spend to March 2013 | Actual spend to March 2013 | Overall Progress | Comments   |
|-----------------|-----------------------------------|----------------------------|------------------|--|
| Current Schemes | £69.0m plus £7.5m contingency     | £53.4m                     | Ongoing          | All the substantial and nearly all of the original planned FRAs are now complete. There are some delays in 2 year programme due to the ending of the partnering contracts. |

#### FRA works

**Comment:** The programme to address issues arising from the Fire Risk Assessments for historic blocks is split into two sections: Only spend from 2011/12 onwards would be from the WDS budget.

- Substantial blocks; those identified as in need of urgent action
- Moderate blocks – requiring significant actions to bring to tolerable level

All the substantial risk blocks are now complete and the higher risk medium blocks are almost complete.

| Original WDS programmed works | Progress | Risk        | No of blocks | Status / Comments |
|-------------------------------|----------|-------------|--------------|-------------------|
| Columbia / Regina             | Complete | Substantial | 2            |                   |

## Major Works Status Report incorporating Warm, Dry and Safe

### A review of the planned WDS programme up to March 2013

| Original WDS programmed works          | Progress | Risk        | No of blocks | Status / Comments |
|--|----------|-------------|--------------|-------------------|
| Maydew House                           | Complete | Substantial | 1            |                   |
| Witcombe Point                         | Complete | Substantial | 1            |                   |
| Perronet House                         | Complete | Substantial | 1            |                   |
| Castlemead                             | Complete | Substantial | 1            |                   |
| Marie Curie                            | Complete | Substantial | 1            |                   |
| Wickway Court                          | Complete | Substantial | 1            |                   |
| Aylesbury Smoke Alarms                 | Complete | Substantial | 0            |                   |
| Crane House                            | Complete | Substantial | 1            |                   |
| Bradenham & Chiltern                   | Complete | Substantial | 2            |                   |
| Wendover                               | Complete | Substantial | 2            |                   |
| Brydale                                | Complete | Substantial | 1            |                   |
| Hanworth & Trevelyan                   | Complete | Substantial | 2            |                   |
| Taplow & Missenden                     | Complete | Substantial | 3            |                   |
| Dodson / Guthrie / Jurston             | Complete | Substantial | 3            |                   |
| Aberfeldy / Glenfinlas / Kirwyn        | Complete | Substantial | 3            |                   |
| Coniston & Kevan                       | Complete | Substantial | 2            |                   |
| Rye Hill (30-120) (122-208) (210-296)  | Complete | Moderate    | 3            |                   |
| Rowland Hill House                     | Complete | Moderate    | 1            |                   |
| Styles House                           | Complete | Moderate    | 1            |                   |
| Casby / Lupin                          | Complete | Moderate    | 2            |                   |
| Prospect House                         | Complete | Moderate    | 1            |                   |
| Crystal Court                          | Complete | Moderate    | 1            |                   |
| Tissington Court FRA Works             | Complete | Moderate    | 1            |                   |
| Bermondsey & Rotherhithe Package 1     | Complete | Moderate    | 11           |                   |
| Borough&Banjkside & Walworth Package 1 | Complete | Moderate    | 17           |                   |
| Borough&Banjkside & Walworth Package 2 | Complete | Moderate    | 33           |                   |
| Netley House                           | Complete | Moderate    | 1            |                   |
| Camberwell & Peckham Package 2         | Complete | Moderate    | 19           |                   |
| Nunhead & Dulwich Package 1            | Complete | Moderate    | 11           |                   |

## Major Works Status Report incorporating Warm, Dry and Safe

### A review of the planned WDS programme up to March 2013

| Original WDS programmed works      | Progress | Risk     | No of blocks | Status / Comments         |
|------------------------------------|----------|----------|--------------|---------------------------|
| Fontenelle                         | On site  | Moderate | 1            | Completion due in 2013/14 |
| Bermondsey & Rotherhithe Package 2 | On site  | Moderate | 44           | Completion due in 2013/14 |
| Draper House                       | On site  | Moderate | 1            | Completion due in 2013/14 |
| Camberwell & Peckham Package 1     | On site  | Moderate | 20           | Completion due in 2013/14 |

### 2 year programme

| Original WDS programmed works     | Progress | Status / Comments         |
|-----------------------------------|----------|---------------------------|
| Proctor / Flatman/Brisbane Refurb | Complete |                           |
| 63-78 Marchwood Close DH          | Complete |                           |
| Crystal Court Refurb              | Complete |                           |
| Cossall Estate Phase 2            | Complete |                           |
| Street Properties 11/12           | Complete |                           |
| Rockingham Est                    | On site  | Completion due in 2013/14 |
| MW Area 3 Sceaux Gardens          | On site  | Completion due in 2013/14 |
| Draper House refurbishment        | On site  | Completion due in 2013/14 |
| St Saviours Estate 1b             | On site  | Completion due in 2013/14 |
| St Saviours Estate 2              | On site  | Completion due in 2013/14 |
| MW Consort Estate                 | On site  | Completion due in 2013/14 |
| Manor 4                           | On site  | Completion due in 2013/14 |
| John Kennedy House Refurb         | On site  | Completion due in 2013/14 |

### Other Current Schemes

There are a number of other existing schemes incurring WDS spend largely at the end of the defect period. The council has also completed a borough wide insulation programme.

### WDS Contingency



## **Major Works Status Report incorporating Warm, Dry and Safe**

### **A review of the planned WDS programme up to March 2013**

Only a small amount of the contingency has been spent. However, the entire contingency allowance for up to March 2013 has been allocated to the WDS Estates programme for 2012/13 as some of these schemes have come back over the estimated budgets (estimated from the stock condition data).

## Major Works Status Report incorporating Warm, Dry and Safe

### APPENDIX 3

#### Landlord Obligations (Individual Heating)

##### Status: Ongoing programme of boiler replacements

Type of works: To support the capitalisation of heating works undertaken via the term contractors as part of the ECON contract.  
Original Agreed budget: £20.1m

| Programme area                                  | Planned Start on site Date | Original planned start on site date | Comment  |
|---|----------------------------|-------------------------------------|--|
| WDS - Landlord Obligations (Individual Heating) | Ongoing Programme          | Ongoing Programme                   | Yearly programme has been accelerated, with allocation from 2015/16 brought forward. |

#### Landlord Obligations (District Heating)

##### Status: Ongoing programme of district heating works

Type of works: District Heating Works  
Original Agreed budget: £17.4m

| Programme area                                | Planned Start on site Date | Original planned start on site date | Comment   |
|---|----------------------------|-------------------------------------|---|
| WDS - Landlord Obligations (District Heating) |                            |                                     |   |
| District Heating 13/14                        | 2011/12<br>2013/14         | 13/14                               | Some 2013/14 schemes have been brought forward and completed with the rest due on site in 2013/14.<br>No new schemes were planned for 2014/15.<br>The 2015/16 schemes are planned to be brought forward to 2014/15. |
| District Heating 14/15                        | -                          | -                                   |   |
| District Heating 15/16                        | 2014/15                    | 15/16                               |   |

## Major Works Status Report incorporating Warm, Dry and Safe

### Landlord Obligations (Individual Heating)

| Scheme   | Planned Start on site Date | Original planned start on site date | Comment                                   |
|--|----------------------------|-------------------------------------|---|
| Plant pld                                      | Ongoing programme          | Ongoing programme                   | Spending and works have been accelerated. |
| Rouel road Mains                               | 2013/14                    | 2013/14                             | Due on site in the second half of 2013/14 |
| New Place Boiler Replacement                   | On site                    | 2013/14                             | On site due to complete in early 2013/14  |
| Hastings Boiler House boiler and burner        | 2013/14                    | 2013/14                             | Due on site in the second half of 2013/14 |
| Leontine Boiler House boiler and flue          | 2013/14                    | 2013/14                             | Due on site in the second half of 2013/14 |
| Neville Boiler House boiler and flue           | Completed                  | 2013/14                             | Works completed.                          |
| North Peck Boilers                             | 2013/14                    | 2013/14                             | Due on site in the second half of 2013/14 |
| BEMS upgrade                                   | 2012/13                    | 2013/14                             | Works began in 2012/13.                   |
| Kinglake Heating/Boiler                        | Completed                  | 2013/14                             | Works completed.                          |
| Helen Gladstone Boiler House boiler and burner | 2014/15                    | 2015/16                             | Brought forward into 2014/15              |
| Stanswood Boiler House boiler and flue         | 2014/15                    | 2015/16                             | Brought forward into 2014/15              |
| Underhill Road Plant Room boiler               | 2014/15                    | 2015/16                             | Brought forward into 2014/15              |
| Heron House Boiler House pump and boiler       | 2014/15                    | 2015/16                             | Brought forward into 2014/15              |
| Acorn Mains                                    | 2014/15                    | 2015/16                             | Brought forward into 2014/15              |
| Barlow Boiler House boiler and burner          | 2014/15                    | 2015/16                             | Brought forward into 2014/15              |
| Leysdown Boiler House boiler, burner and flue  | 2014/15                    | 2015/16                             | Brought forward into 2014/15              |
| Minnow Walk Boiler House boiler and flue       | 2014/15                    | 2015/16                             | Brought forward into 2014/15              |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme   | Planned Start on site Date | Original planned start on site date | Comment                      |
|--|----------------------------|-------------------------------------|------------------------------|
| Plaxdale Boiler House boiler and flue            | 2014/15                    | 2015/16                             | Brought forward into 2014/15 |
| Portland Boiler House boiler and flue            | 2014/15                    | 2015/16                             | Brought forward into 2014/15 |
| Soane House Boiler House boiler, burnera dn flue | 2014/15                    | 2015/16                             | Brought forward into 2014/15 |
| Albert Wescott Boiler House boiler and burner    | 2014/15                    | 2015/16                             | Brought forward into 2014/15 |
| Conant Boiler House boiler and burner            | 2014/15                    | 2015/16                             | Brought forward into 2014/15 |
| King Charles Court Boiler House boiler and flue  | 2014/15                    | 2015/16                             | Brought forward into 2014/15 |

**WDS - Landlord Obligations (Electrical Works)**

Status:

See individual schemes

Type of works:

Essential electrical works which have arisen as a result of FRA electrical tests and essential replacement of communal, lateral electrical wiring and associated equipment

Original Agreed budget:

£10.1m

| Programme area                                | Planned Start on site Date | Original planned start on site date | Comment   |
|---|----------------------------|-------------------------------------|---|
| WDS - Landlord Obligations (Electrical Works) | Ongoing Programme          | Ongoing Programme                   | Remaining £5.5m in the budget for FRA electrical works will be used in the FRA budget. A further £1.9m is available for essential replacement of communal, lateral electrical wiring and associated equipment in future years as part of the ongoing WDS programme. |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

**WDS - Landlord Obligations (Lifts)**

Status:

**Ongoing programme**

Type of works: **To replace lift parts which have become obsolete, resulting in ever increasing service failures. These works will result in improved lift performance and reliability.**

Original Agreed budget:

**£10.1m**

| Programme area                     | Planned Start on site Date | Original planned start on site date | Comment   |
|------------------------------------|----------------------------|-------------------------------------|---|
| WDS - Landlord Obligations (Lifts) | Ongoing Programme          | Ongoing Programme                   | The programme is expected to continue to run to schedule. |

**Warm, Dry, Safe Estate Properties 2013/14**

Status:

**See individual schemes below**

Type of works:

**WDS**

Original Agreed budget:

**£27.0m**

| Programme area                          | Planned Start on site Date | Original planned start on site date | Comment  |
|---|----------------------------|-------------------------------------|--|
| Warm, Dry, Safe Estate Properties 13/14 | 2013/14                    | 2013/14                             | Due to the delayed start for 2012/13 and the mutual conclusion of Breyers works contract, the start of some of the 2013/14 was delayed to later in the year. |

| Scheme    | Planned Start on site Date | Original planned start on site date | Area    | Ward    | Comment  |
|-----------|----------------------------|-------------------------------------|---------|---------|--|
| New Acorn | <b>ON HOLD</b>             | 2013/14                             | Peckham | Livesey | To follow on from Regeneration heating works completion. |

## Major Works Status Report incorporating Warm, Dry and Safe

### Landlord Obligations (Individual Heating)

| Scheme         | Planned Start on site Date | Original planned start on site date | Area                  | Ward             | Comment   |
|----------------|----------------------------|-------------------------------------|-----------------------|------------------|---|
| Clifton Estate | 2013/14                    | 2013/14                             | Nunhead & Peckham Rye | The Lane         | Delayed start following the mutual conclusion of Breyers works contract and is now being tendered but still due to start on site in 2013/14.  |
| Scovell        | 2013/14                    | 2013/14                             | Borough Bankside &    | Cathedrals       | Delayed following the mutual conclusion of Breyers works contract and is now being tendered but still due to start on site in 2013/14.  |
| Aylesbury      | 2013/14                    | 2013/14                             | Walworth              | Faraday          | Delayed following the mutual conclusion of Breyers works contract and is now being delivered by the back up contractor A&E Elkins. However, no decision can be made on WDS works until Regeneration works are programmed. |
| Congreve       | 2013/14                    | 2013/14                             | Walworth              | East Walworth    | Delayed following the mutual conclusion of Breyers works contract and is now being tendered but still due to start on site in 2013/14.  |
| Salisbury      | 2013/14                    | 2013/14                             | Walworth              | East Walworth    | Delayed following the mutual conclusion of Breyers works contract and is now being tendered but still due to start on site in 2013/14.  |
| Tustin         | 2013/14                    | 2013/14                             | Rotherhithe           | Livesey          | Delayed due to the tendering process following the conclusion of the Waites contract but still due to start on site in 2013/14.   |
| Crawford       | 2013/14                    | 2013/14                             | Camberwell            | Camberwell Green | On site in the first half of 2013/14.   |
| Denmark Hill   | 2013/14                    | 2013/14                             | Camberwell            | South Camberwell | On site in the first half of 2013/14.   |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme  | Planned Start on site Date | Original planned start on site date | Area       | Ward             | Comment                               |
|---------|----------------------------|-------------------------------------|------------|------------------|---------------------------------------|
| Wyncham | 2013/14                    | 2013/14                             | Camberwell | Camberwell Green | On site in the first half of 2013/14. |

**Warm, Dry, Safe Estate Properties 2014/15**

Status: See individual schemes below  
 Type of works: WDS  
 Original Agreed budget: £34.1m

| Programme area                          | Planned Start on site Date | Original planned start on site date | Comment  |
|---|----------------------------|-------------------------------------|--|
| Warm, Dry, Safe Estate Properties 14/15 | 2013/14<br>2014/15         | 2014/15                             | £14.9m of works were brought forward into 13/14 and the rest of the works are planned to start early in 2014/15. |

| Scheme          | Planned Start on site Date | Original planned start on site date | Area                  | Ward        | Comment          |
|-----------------|----------------------------|-------------------------------------|-----------------------|-------------|------------------|
| POMEROY ESTATE  | 2013/14                    | 2014/15                             | Nunhead & Peckham Rye | Nunhead     | Brought forward. |
| PRIORY COURT    | 2013/14                    | 2014/15                             | Nunhead & Peckham Rye | Peckham Rye | Brought forward. |
| PELICAN ESTATE  | 2013/14                    | 2014/15                             | Nunhead & Peckham Rye | The Lane    | Brought forward. |
| LUGARD HOUSE    | 2013/14                    | 2014/15                             | Nunhead & Peckham Rye | Nunhead     | Brought forward. |
| MAGDALENE CLOSE | 2013/14                    | 2014/15                             | Nunhead &             | The Lane    | Brought forward. |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme                  | Planned Start on site Date | Original planned start on site date | Area                  | Ward                  | Comment  |
|-------------------------|----------------------------|-------------------------------------|-----------------------|-----------------------|--|
|                         |                            |                                     | Peckham Rye           |                       |  |
| ATWELL ESTATE           | 2013/14                    | 2014/15                             | Nunhead & Peckham Rye | The Lane              | Brought forward.   |
| GAYWOOD ESTATE          | 2013/14                    | 2014/15                             | Borough Bankside      | Cathedrals            | Brought forward.   |
| NELSON SQUARE GARDENS 2 | 2013/14                    | 2014/15                             | Borough Bankside      | Cathedrals            | Brought forward (packaged with Gaywood).                                     |
| LANCASTER ESTATE        | 2013/14                    | 2014/15                             | Borough Bankside      | Cathedrals            | Brought forward.   |
| RUSHWORTH-BOYFIELD      | 2013/14                    | 2014/15                             | Borough Bankside      | Cathedrals            | Brought forward (packaged with Lancaster Estate).                            |
| TABARD GARDENS (PART)   | 2013/14                    | 2014/15                             | Borough Bankside      | Chaucer               | Chartham House, Chilham House, Headbourne House, Seal House brought forward. |
| NEWINGTON ESTATE        | 2013/14                    | 2014/15                             | Walworth              | Newington             | Brought forward.   |
| KINGSLAKE ESTATE        | 2013/14                    | 2014/15                             | Walworth              | East Walworth Faraday | Brought forward.   |
| LETT SOM ESTATE         | 2013/14                    | 2014/15                             | Camberwell            | Brunswick Park        | Brought forward.   |
| SOUTHAMPTON WAY ESTATE  | 2013/14                    | 2014/15                             | Camberwell            | Brunswick Park        | Brought forward.   |
| HAVIL STREET ESTATE     | 2013/14                    | 2014/15                             | Camberwell            | Brunswick Park        | Brought forward.   |
| BEACON HOUSE            | 2013/14                    | 2014/15                             | Camberwell            | Brunswick Park        | Brought forward.   |
| TABARD GARDENS (REST)   | 2014/15                    | 2014/15                             | Borough and Bankside  | Chaucer               | As scheduled.  |
| ROCKINGHAM ESTATE       | 2014/15                    | 2014/15                             | Borough and Bankside  | Chaucer East Walworth | As scheduled.  |
| QUENTIN HOUSE           | 2014/15                    | 2014/15                             | Borough and Bankside  | Cathedrals            | As scheduled.  |



**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| <b>Scheme</b>           | <b>Planned Start on site Date</b> | <b>Original planned start on site date</b> | <b>Area</b>              | <b>Ward</b>                        | <b>Comment</b> |
|-------------------------|-----------------------------------|--|--------------------------|------------------------------------|----------------|
| NELSON ESTATE           | 2014/15                           | 2014/15                                    | Walworth                 | Faraday                            | As scheduled.  |
| DODDINGTON GROVE ESTATE | 2014/15                           | 2014/15                                    | Walworth                 | Newington                          | As scheduled.  |
| PORTLAND ESTATE         | 2014/15                           | 2014/15                                    | Walworth                 | Faraday                            | As scheduled.  |
| PENROSE HOUSE           | 2014/15                           | 2014/15                                    | Walworth                 | Newington                          | As scheduled.  |
| ALVEY ESTATE            | 2014/15                           | 2014/15                                    | Walworth                 | East Walworth                      | As scheduled.  |
| MARDYKE ESTATE          | 2014/15                           | 2014/15                                    | Walworth                 | East Walworth                      | As scheduled.  |
| ELSTED STREET           | 2014/15                           | 2014/15                                    | Walworth                 | East Walworth                      | As scheduled.  |
| NAYLOR HOUSE            | 2014/15                           | 2014/15                                    | Walworth                 | East Walworth                      | As scheduled.  |
| RENNIE ESTATE           | 2014/15                           | 2014/15                                    | Bermondsey               | South Bermondsey                   | As scheduled.  |
| MORRISS HOUSE           | 2014/15                           | 2014/15                                    | Bermondsey               | Riverside                          | As scheduled.  |
| SILVERLOCK ESTATE       | 2014/15                           | 2014/15                                    | Rotherhithe              | Livesey                            | As scheduled.  |
| PEDWORTH ESTATE         | 2014/15                           | 2014/15                                    | Rotherhithe              | Rotherhithe                        | As scheduled.  |
| OSPREY ESTATE           | 2014/15                           | 2014/15                                    | Rotherhithe              | Surrey Docks                       | As scheduled.  |
| HADDONFIELD ESTATE      | 2014/15                           | 2014/15                                    | Rotherhithe              | Rotherhithe                        | As scheduled.  |
| HARBORD HOUSE           | 2014/15                           | 2014/15                                    | Rotherhithe              | Rotherhithe                        | As scheduled.  |
| BONAMY ESTATE           | 2014/15                           | 2014/15                                    | Rotherhithe              | Livesey                            | As scheduled.  |
| DEYNSFORD ESTATE        | 2014/15                           | 2014/15                                    | Camberwell               | Brunswick Park<br>Camberwell Green | As scheduled.  |
| CLEVE HALL ESTATE       | 2014/15                           | 2014/15                                    | Camberwell               | Brunswick Park                     | As scheduled.  |
| GLEBE ESTATE            | 2014/15                           | 2014/15                                    | Camberwell               | South Camberwell                   | As scheduled.  |
| BELLS GARDENS ESTATE    | 2014/15                           | 2014/15                                    | Peckham                  | Peckham                            | As scheduled.  |
| BARSET ESTATE           | 2014/15                           | 2014/15                                    | Nunhead &<br>Peckham Rye | Nunhead                            | As scheduled.  |
| HONITON GARDENS         | 2014/15                           | 2014/15                                    | Nunhead &<br>Peckham Rye | Nunhead                            | As scheduled.  |

## Major Works Status Report incorporating Warm, Dry and Safe

### Landlord Obligations (Individual Heating)

| Scheme                  | Planned Start on site Date | Original planned start on site date | Area    | Ward    | Comment       |
|-------------------------|----------------------------|-------------------------------------|---------|---------|---------------|
| DELAWYK CRESCENT ESTATE | 2014/15                    | 2014/15                             | Dulwich | Village | As scheduled. |
| KINGSWOOD ESTATE        | 2014/15                    | 2014/15                             | Dulwich | College | As scheduled. |
| SYDENHAM HILL ESTATE    | 2014/15                    | 2014/15                             | Dulwich | College | As scheduled. |

### Warm, Dry, Safe Estate Properties 2015/16

Status: See individual schemes below  
 Type of works: WDS  
 Original Agreed budget: £28.9m

| Programme area                          | Planned Start on site Date | Original planned start on site date | Comment  |
|---|----------------------------|-------------------------------------|--|
| Warm, Dry, Safe Estate Properties 15/16 | 2014/15<br>2015/16         | 2015/16                             | Approximately £10m works are being brought forward into 2014/15 with the rest planned to start on site early in 2015/16. |

| Scheme        | Planned Start on site Date | Original planned start on site date | Area       | Ward             | Comment       |
|---------------|----------------------------|-------------------------------------|------------|------------------|---------------|
| ARNOLD ESTATE | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| ASTLEY ESTATE | 2015/16                    | 2015/16                             | Bermondsey | South Bermondsey | As scheduled. |

## Major Works Status Report incorporating Warm, Dry and Safe

### Landlord Obligations (Individual Heating)

| Scheme               | Planned Start on site Date | Original planned start on site date | Area       | Ward             | Comment       |
|----------------------|----------------------------|-------------------------------------|------------|------------------|---------------|
| AYLWIN ESTATE        | 2015/16                    | 2015/16                             | Bermondsey | Grange           | As scheduled. |
| BEATRICE ROAD        | 2015/16                    | 2015/16                             | Bermondsey | South Bermondsey | As scheduled. |
| BURTON HOUSE         | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| CHARLES MACKENZIE    | 2015/16                    | 2015/16                             | Bermondsey | Grange           | As scheduled. |
| CHERRY GARDEN ESTATE | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| CHERRY GARDEN HOUSE  | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| CHERRY GARDEN STREET | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| COXSON WAY           | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| CRANBOURNE HOUSE     | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| CREASY ESTATE        | 2015/16                    | 2015/16                             | Bermondsey | Grange           | As scheduled. |
| DEVON MANSIONS       | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| DUNTON ROAD          | 2015/16                    | 2015/16                             | Bermondsey | South Bermondsey | As scheduled. |
| ELDRIDGE COURT       | 2015/16                    | 2015/16                             | Bermondsey | Grange           | As scheduled. |
| ESMERALDA ROAD       | 2015/16                    | 2015/16                             | Bermondsey | South Bermondsey | As scheduled. |
| FAIR STREET ESTATE   | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| FOUNTAIN HOUSE       | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| HAROLD ESTATE        | 2015/16                    | 2015/16                             | Bermondsey | Grange           | As scheduled. |
| KEETONS ESTATE       | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| LEWES HOUSE          | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| LONGFIELD ESTATE     | 2015/16                    | 2015/16                             | Bermondsey | South Bermondsey | As scheduled. |
| LYNTON ESTATE        | 2015/16                    | 2015/16                             | Bermondsey | South Bermondsey | As scheduled. |
| LYNTON ROAD          | 2015/16                    | 2015/16                             | Bermondsey | South Bermondsey | As scheduled. |
| MAWBEY ESTATE        | 2015/16                    | 2015/16                             | Bermondsey | South Bermondsey | As scheduled. |
| PETER BUTLER HOUSE   | 2015/16                    | 2015/16                             | Bermondsey | Riverside        | As scheduled. |
| PURBROOK ESTATE      | 2015/16                    | 2015/16                             | Bermondsey | Grange           | As scheduled. |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme                 | Planned Start on site Date | Original planned start on site date | Area        | Ward                       | Comment          |
|------------------------|----------------------------|-------------------------------------|-------------|----------------------------|------------------|
| ROUEL ROAD ESTATE      | 2014/15                    | 2015/16                             | Bermondsey  | Grange South Bermondsey    | Brought forward. |
| SETCHELL ESTATE        | 2015/16                    | 2015/16                             | Bermondsey  | Grange                     | As scheduled.    |
| SOUTHWARK PARK ESTATE  | 2015/16                    | 2015/16                             | Bermondsey  | Riverside                  | As scheduled.    |
| SOUTHWARK PARK ROAD    | 2015/16                    | 2015/16                             | Bermondsey  | Riverside South Bermondsey | As scheduled.    |
| ST CRISPINS ESTATE     | 2015/16                    | 2015/16                             | Bermondsey  | Riverside                  | As scheduled.    |
| ST JOHNS ESTATE        | 2015/16                    | 2015/16                             | Bermondsey  | Riverside                  | As scheduled.    |
| ST OLAVES ESTATE       | 2015/16                    | 2015/16                             | Bermondsey  | Riverside                  | As scheduled.    |
| TANNER HOUSE           | 2015/16                    | 2015/16                             | Bermondsey  | Grange                     | As scheduled.    |
| THORBURN SQUARE        | 2015/16                    | 2015/16                             | Bermondsey  | South Bermondsey           | As scheduled.    |
| TOWER BRIDGE BUILDINGS | 2015/16                    | 2015/16                             | Bermondsey  | Riverside                  | As scheduled.    |
| WESSEX HOUSE           | 2015/16                    | 2015/16                             | Bermondsey  | South Bermondsey           | As scheduled.    |
| WEST LANE              | 2015/16                    | 2015/16                             | Bermondsey  | Riverside                  | As scheduled.    |
| ABBEYFIELD ESTATE      | 2015/16                    | 2015/16                             | Rotherhithe | Rotherhithe                | As scheduled.    |
| AINSTY ESTATE          | 2015/16                    | 2015/16                             | Rotherhithe | Rotherhithe                | As scheduled.    |
| ALBION ESTATE          | 2015/16                    | 2015/16                             | Rotherhithe | Rotherhithe                | As scheduled.    |
| AYLTON ESTATE          | 2015/16                    | 2015/16                             | Rotherhithe | Rotherhithe                | As scheduled.    |
| BRADLEY HOUSE          | 2015/16                    | 2015/16                             | Rotherhithe | Rotherhithe                | As scheduled.    |
| BRAMCOTE GROVE         | 2015/16                    | 2015/16                             | Rotherhithe | Livesey                    | As scheduled.    |
| BRUNEL ESTATE          | 2015/16                    | 2015/16                             | Rotherhithe | Rotherhithe                | As scheduled.    |
| CANADA ESTATE          | 2015/16                    | 2015/16                             | Rotherhithe | Rotherhithe                | As scheduled.    |
| CATHAY HOUSE           | 2015/16                    | 2015/16                             | Rotherhithe | Rotherhithe                | As scheduled.    |
| COURTHOPE HOUSE        | 2015/16                    | 2015/16                             | Rotherhithe | Rotherhithe                | As scheduled.    |
| DOWNTOWN ESTATE        | 2015/16                    | 2015/16                             | Rotherhithe | Surrey Docks               | As scheduled.    |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme                                       | Planned Start on site Date | Original planned start on site date | Area                | Ward                   | Comment       |
|--|----------------------------|-------------------------------------|---------------------|------------------------|---------------|
| FRANKLAND CLOSE ESTATE                       | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| GOMM ROAD                                    | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| HENLEY CLOSE                                 | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| HOWLANDS ESTATE                              | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| IRWELL ESTATE                                | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| KIRBY ESTATE                                 | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| MILLPOND ESTATE                              | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| PLOUGH ESTATE                                | 2015/16                    | 2015/16                             | Rotherhithe         | Surrey Docks           | As scheduled. |
| PYNFOLDS ESTATE                              | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| RENFORTH STREET                              | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| RISDON HOUSE                                 | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| SILWOOD ESTATE                               | 2015/16                    | 2015/16                             | Rotherhithe         | Livesey<br>Rotherhithe | As scheduled. |
| SLIPPERS PLACE ESTATE,(FORMERLY ARICA HOUSE) | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| ST MARYS ESTATE                              | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| SWAN ROAD ESTATE                             | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| TISSINGTON COURT                             | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| WESTFIELD HOUSE                              | 2015/16                    | 2015/16                             | Rotherhithe         | Rotherhithe            | As scheduled. |
| ALBERT BARNES HOUSE                          | 2015/16                    | 2015/16                             | Borough<br>Bankside | Chaucer                | As scheduled. |
| AMIGO HOUSE                                  | 2015/16                    | 2015/16                             | Borough<br>Bankside | Cathedrals             | As scheduled. |
| AYRES STREET                                 | 2015/16                    | 2015/16                             | Borough<br>Bankside | Cathedrals             | As scheduled. |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme                     | Planned Start on site Date | Original planned start on site date | Area               | Ward       | Comment       |
|----------------------------|----------------------------|-------------------------------------|--------------------|------------|---------------|
| BANKSIDE DEVELOPMENT EDGAR | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| BOROUGH ROAD ESTATE        | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| BROOK DRIVE                | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| COOPER CLOSE               | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| DODSON ESTATE              | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| HADDONHALL ESTATE          | 2015/16                    | 2015/16                             | Borough Bankside & | Chaucer    | As scheduled. |
| HAYLES BUILDINGS           | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| KELLOW HOUSE               | 2015/16                    | 2015/16                             | Borough Bankside & | Chaucer    | As scheduled. |
| LANT ESTATE                | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| MARSHALSEA ESTATE          | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| PARK STREET ESTATE         | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| ROCHESTER ESTATE           | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| SMEATON COURT              | 2015/16                    | 2015/16                             | Borough Bankside & | Chaucer    | As scheduled. |
| WEBBER ROW ESTATE          | 2015/16                    | 2015/16                             | Borough Bankside & | Cathedrals | As scheduled. |
| ALBANY ROAD                | 2015/16                    | 2015/16                             | Walworth           | Faraday    | As scheduled. |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme                | Planned Start on site Date | Original planned start on site date | Area     | Ward             | Comment                                  |
|-----------------------|----------------------------|-------------------------------------|----------|------------------|--|
| AMBERGATE STREET      | 2015/16                    | 2015/16                             | Walworth | Newington        | As scheduled.                            |
| BRAGANZA STREET       | 2015/16                    | 2015/16                             | Walworth | Newington        | As scheduled.                            |
| BROCKLEY HOUSE        | 2015/16                    | 2015/16                             | Walworth | Faraday          | As scheduled.                            |
| BROWNING ESTATE       | 2015/16                    | 2015/16                             | Walworth | East Walworth    | As scheduled.                            |
| COMUS HOUSE           | 2013/14                    | 2015/16                             | Walworth | East Walworth    | Brought forward (packaged with Congreve) |
| COOKS ROAD            | 2015/16                    | 2015/16                             | Walworth | Newington        | As scheduled.                            |
| DARWIN STREET         | 2015/16                    | 2015/16                             | Walworth | East Walworth    | As scheduled.                            |
| DATE STREET           | 2015/16                    | 2015/16                             | Walworth | Faraday          | As scheduled.                            |
| DRAPER ESTATE         | 2015/16                    | 2015/16                             | Walworth | Newington        | As scheduled.                            |
| EAST STREET           | 2015/16                    | 2015/16                             | Walworth | Faraday          | As scheduled.                            |
| GAITSKELL HOUSE       | 2015/16                    | 2015/16                             | Walworth | Faraday          | As scheduled.                            |
| GATEWAY ESTATE        | 2015/16                    | 2015/16                             | Walworth | Faraday          | As scheduled.                            |
| HAMPTON HOUSE         | 2015/16                    | 2015/16                             | Walworth | Newington        | As scheduled.                            |
| INVILLE ESTATE        | 2015/16                    | 2015/16                             | Walworth | Faraday          | As scheduled.                            |
| KENNEDY WALK          | 2015/16                    | 2015/16                             | Walworth | East Walworth    | As scheduled.                            |
| KENNINGTON PARK HOUSE | 2015/16                    | 2015/16                             | Walworth | Newington        | As scheduled.                            |
| KENNINGTON PARK ROAD  | 2015/16                    | 2015/16                             | Walworth | Newington        | As scheduled.                            |
| KING CHARLES COURT    | 2015/16                    | 2015/16                             | Walworth | Newington        | As scheduled.                            |
| KINGSTON ESTATE       | 2015/16                    | 2015/16                             | Walworth | Faraday          | As scheduled.                            |
| MANCHESTER HOUSE      | 2015/16                    | 2015/16                             | Walworth | East Walworth    | As scheduled.                            |
| MANOR PLACE           | 2015/16                    | 2015/16                             | Walworth | Newington        | As scheduled.                            |
| MICHAEL FARADAY HOUSE | 2015/16                    | 2015/16                             | Walworth | Faraday          | As scheduled.                            |
| MINNOW STREET ESTATE  | 2015/16                    | 2015/16                             | Walworth | East Walworth    | As scheduled.                            |
| NEW CHURCH ROAD       | 2015/16                    | 2015/16                             | Walworth | Camberwell Green | As scheduled.                            |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme                  | Planned Start on site Date | Original planned start on site date | Area       | Ward                               | Comment          |
|-------------------------|----------------------------|-------------------------------------|------------|------------------------------------|------------------|
| NURSERY ROW             | 2015/16                    | 2015/16                             | Walworth   | East Walworth                      | As scheduled.    |
| ORB STREET              | 2015/16                    | 2015/16                             | Walworth   | East Walworth                      | As scheduled.    |
| PASLEY ESTATE           | 2015/16                    | 2015/16                             | Walworth   | Newington                          | As scheduled.    |
| PELIER ESTATE           | 2015/16                    | 2015/16                             | Walworth   | Newington                          | As scheduled.    |
| PULLENS ESTATE          | 2015/16                    | 2015/16                             | Walworth   | Newington                          | As scheduled.    |
| SHARSTED STREET         | 2015/16                    | 2015/16                             | Walworth   | Newington                          | As scheduled.    |
| STOPFORD ROAD           | 2015/16                    | 2015/16                             | Walworth   | Newington                          | As scheduled.    |
| BONSOR STREET           | 2014/15                    | 2015/16                             | Camberwell | Brunswick Park                     | Brought forward. |
| BROMAR ROAD             | 2014/15                    | 2015/16                             | Camberwell | South Camberwell                   | Brought forward. |
| CAMBERWELL GROVE        | 2014/15                    | 2015/16                             | Camberwell | Brunswick Park                     | Brought forward. |
| CAMBERWELL GROVE ESTATE | 2014/15                    | 2015/16                             | Camberwell | Brunswick Park<br>South Camberwell | Brought forward. |
| CASTLEMEAD              | 2014/15                    | 2015/16                             | Camberwell | Camberwell Green                   | Brought forward. |
| CHAMPION HILL ESTATE    | 2014/15                    | 2015/16                             | Camberwell | South Camberwell                   | Brought forward. |
| CHAMPION PARK ESTATE    | 2014/15                    | 2015/16                             | Camberwell | South Camberwell                   | Brought forward. |
| CRAWFORD ROAD           | 2014/15                    | 2015/16                             | Camberwell | Camberwell Green                   | Brought forward. |
| DOWLAS ESTATE           | 2014/15                    | 2015/16                             | Camberwell | Brunswick Park<br>Camberwell Green | Brought forward. |
| ELMINGTON ROAD          | 2014/15                    | 2015/16                             | Camberwell | Brunswick Park                     | Brought forward. |
| GILESMEAD               | 2014/15                    | 2015/16                             | Camberwell | Brunswick Park                     | Brought forward. |
| GOSCHEN ESTATE          | 2014/15                    | 2015/16                             | Camberwell | Camberwell Green                   | Brought forward. |
| GROSVENOR PARK          | 2014/15                    | 2015/16                             | Camberwell | Camberwell Green                   | Brought forward. |
| GROVE LANE              | 2014/15                    | 2015/16                             | Camberwell | Brunswick Park                     | Brought forward. |
| HARFIELD GARDENS        | 2014/15                    | 2015/16                             | Camberwell | South Camberwell                   | Brought forward. |
| HILLCREST               | 2014/15                    | 2015/16                             | Camberwell | South Camberwell                   | Brought forward. |



**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme               | Planned Start on site Date | Original planned start on site date | Area       | Ward                   | Comment          |
|----------------------|----------------------------|-------------------------------------|------------|------------------------|------------------|
| ONDINE ROAD          | 2014/15                    | 2015/16                             | Camberwell | South Camberwell       | Brought forward. |
| RAINBOW STREET       | 2014/15                    | 2015/16                             | Camberwell | Brunswick Park         | Brought forward. |
| SPRING HILL CLOSE    | 2014/15                    | 2015/16                             | Camberwell | South Camberwell       | Brought forward. |
| THE BIRCHES          | 2014/15                    | 2015/16                             | Camberwell | South Camberwell       | Brought forward. |
| THE LIMES            | 2014/15                    | 2015/16                             | Camberwell | South Camberwell       | Brought forward. |
| CASSINGHURST         | 2014/15                    | 2015/16                             | Dulwich    | Village                | Brought forward. |
| COLLEGE ROAD ESTATE  | 2014/15                    | 2015/16                             | Dulwich    | College                | Brought forward. |
| COUNTISBURY HOUSE    | 2014/15                    | 2015/16                             | Dulwich    | College                | Brought forward. |
| CRAWTHEW GROVE       | 2014/15                    | 2015/16                             | Dulwich    | East Dulwich           | Brought forward. |
| CRYSTAL PALACE ROAD  | 2014/15                    | 2015/16                             | Dulwich    | East Dulwich           | Brought forward. |
| EAST DULWICH GROVE   | 2014/15                    | 2015/16                             | Dulwich    | Village                | Brought forward. |
| ELMWOOD ROAD         | 2014/15                    | 2015/16                             | Dulwich    | Village                | Brought forward. |
| FRIERN ESTATE        | 2014/15                    | 2015/16                             | Dulwich    | East Dulwich           | Brought forward. |
| GILLIES COURT        | 2014/15                    | 2015/16                             | Dulwich    | Gillies Court - Sidcup | Brought forward. |
| HALLIWELL COURT      | 2014/15                    | 2015/16                             | Dulwich    | East Dulwich           | Brought forward. |
| HERNE HILL ESTATE    | 2014/15                    | 2015/16                             | Dulwich    | Village                | Brought forward. |
| HILLSBORO ROAD       | 2014/15                    | 2015/16                             | Dulwich    | Village                | Brought forward. |
| LORDSHIP LANE        | 2014/15                    | 2015/16                             | Dulwich    | College                | Brought forward. |
| LORDSHIP LANE ESTA   | 2014/15                    | 2015/16                             | Dulwich    | College                | Brought forward. |
| LYTCOTT GROVE ESTA   | 2014/15                    | 2015/16                             | Dulwich    | Village                | Brought forward. |
| MELFORD COURT        | 2014/15                    | 2015/16                             | Dulwich    | College                | Brought forward. |
| ST DAVIDS MANSIONS   | 2014/15                    | 2015/16                             | Dulwich    | Peckham Rye            | Brought forward. |
| WOODLAND ROAD ESTATE | 2014/15                    | 2015/16                             | Dulwich    | College                | Brought forward. |
| YORK HOUSE           | 2014/15                    | 2015/16                             | Dulwich    | College                | Brought forward. |
| ARNOLD DOBSON HOUSE  | 2014/15                    | 2015/16                             | Nunhead &  | Nunhead                | Brought forward. |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme             | Planned Start on site Date | Original planned start on site date | Area                  | Ward                 | Comment          |
|--------------------|----------------------------|-------------------------------------|-----------------------|----------------------|------------------|
|                    |                            |                                     | Peckham Rye           |                      |                  |
| BARTON CLOSE       | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane             | Brought forward. |
| BRAYARDS ROAD      | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead              | Brought forward. |
| BRIMMINGTON ESTATE | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Livesey Nunhead      | Brought forward. |
| BUCHAN ROAD        | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead              | Brought forward. |
| CLIFTON CRESCENT   | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Livesey              | Brought forward. |
| CONSORT ROAD       | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane             | Brought forward. |
| COPLESTON ROAD     | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane             | Brought forward. |
| DANIELS ROAD       | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead              | Brought forward. |
| EAST DULWICH ROAD  | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye The Lane | Brought forward. |
| EVELINA ROAD       | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead              | Brought forward. |
| FENWICK ROAD       | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane             | Brought forward. |
| GAUTREY ROAD       | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead              | Brought forward. |
| GOWLETT ROAD       | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane             | Brought forward. |
| HANOVER PARK       | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane             | Brought forward. |

## Major Works Status Report incorporating Warm, Dry and Safe

### Landlord Obligations (Individual Heating)

| Scheme                  | Planned Start on site Date | Original planned start on site date | Area                  | Ward                    | Comment          |
|-------------------------|----------------------------|-------------------------------------|-----------------------|-------------------------|------------------|
| HEATON HOUSE            | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane                | Brought forward. |
| HOLLYDALE ROAD          | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead                 | Brought forward. |
| HONOR OAK RISE          | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye             | Brought forward. |
| KIRKWOOD ROAD           | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead                 | Brought forward. |
| LIMES WALK              | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye             | Brought forward. |
| LINDEN GROVE            | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye             | Brought forward. |
| LINDEN GROVE ESTAT      | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead                 | Brought forward. |
| MAXDEN COURT            | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane                | Brought forward. |
| MONCRIEFF ESTATE        | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane                | Brought forward. |
| MUNDANIA ROAD           | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye             | Brought forward. |
| NEW JAMES STREET ESTATE | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane                | Brought forward. |
| NUNHEAD ESTATE          | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye<br>The Lane | Brought forward. |
| OAK HILL COURT          | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye             | Brought forward. |
| OLIVER GOLDSMITH ESTATE | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane                | Brought forward. |
| PHILIP WALK             | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane                | Brought forward. |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| Scheme             | Planned Start on site Date | Original planned start on site date | Area                  | Ward        | Comment          |
|--------------------|----------------------------|-------------------------------------|-----------------------|-------------|------------------|
|                    |                            |                                     | Peckham Rye           |             |                  |
| POMEROY STREET     | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead     | Brought forward. |
| QUEENS ROAD ESTATE | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead     | Brought forward. |
| RAUL ROAD          | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane    | Brought forward. |
| REEDHAM STREET     | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane    | Brought forward. |
| RUSSELL COURT      | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane    | Brought forward. |
| RYE HILL ESTATE    | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye | Brought forward. |
| SASSOON HOUSE      | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead     | Brought forward. |
| SOLOMONS PASSAGE   | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye | Brought forward. |
| ST MARYS ROAD      | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead     | Brought forward. |
| STANBURY ROAD      | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead     | Brought forward. |
| TAPPEFIELD ESTATE  | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Nunhead     | Brought forward. |
| THERAPIA ROAD      | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye | Brought forward. |
| UNDERHILL ROAD     | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | Peckham Rye | Brought forward. |
| WHORLTON ROAD      | 2014/15                    | 2015/16                             | Nunhead & Peckham Rye | The Lane    | Brought forward. |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

| <b>Scheme</b>           | <b>Planned Start on site Date</b> | <b>Original planned start on site date</b> | <b>Area</b> | <b>Ward</b>        | <b>Comment</b>   |
|-------------------------|-----------------------------------|--|-------------|--------------------|------------------|
| CARLTON GROVE           | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| CAROLINE GARDENS        | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| CATOR STREET            | 2014/15                           | 2015/16                                    | Peckham     | Peckham            | Brought forward. |
| COLEGROVE/RADNOR ESTATE | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| DAVEY STREET            | 2014/15                           | 2015/16                                    | Peckham     | Peckham            | Brought forward. |
| FRIARY ESTATE           | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| FRIARY ROAD             | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| GERVASE STREET          | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| GLOUCESTER GROVE ESTATE | 2014/15                           | 2015/16                                    | Peckham     | Peckham            | Brought forward. |
| KAREN COURT             | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| KINGS GROVE             | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| LEDBURY ESTATE          | 2014/15                           | 2015/16                                    | Peckham     | Livesey<br>Peckham | Brought forward. |
| LINDLEY ESTATE          | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| MONTPELIER ROAD         | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| NAYLOR ROAD             | 2014/15                           | 2015/16                                    | Peckham     | Livesey<br>Peckham | Brought forward. |
| NORTH PECKHAM ESTATE    | 2014/15                           | 2015/16                                    | Peckham     | Peckham            | Brought forward. |
| OLIVER GOLDSMITH ESTATE | 2014/15                           | 2015/16                                    | Peckham     | Peckham            | Brought forward. |
| STUDHOLME STREET        | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| SUMNER ROAD             | 2014/15                           | 2015/16                                    | Peckham     | Peckham            | Brought forward. |
| UNWIN ESTATE            | 2014/15                           | 2015/16                                    | Peckham     | Livesey            | Brought forward. |
| WILLOWBROOK ESTATE      | 2014/15                           | 2015/16                                    | Peckham     | Peckham            | Brought forward. |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

**Warm, Dry, Safe Street Properties**

Status: See individual schemes below

Type of works: WDS

Original Agreed budget: £10.9m

| Programme area              | Planned Start on site Date | Original planned start on site date | Area    | Ward    | Comment   |
|-----------------------------|----------------------------|-------------------------------------|---------|---------|---|
| WDS Street Properties 13/14 | 2013/14                    | 2013/14                             | Various | Various | Due to the delayed start for 12/13, the start of the 13/14 street properties was delayed to the second half of 2013/14. |
| WDS Street Properties 14/15 | 2014/15                    | 2014/15                             | Various | Various | The 14/15 street properties programme is expected to continue to run to schedule  |
| WDS Street Properties 15/16 | 2014/15                    | 2015/16                             | Various | Various | The 15/16 street properties programme is expected to continue to run to schedule.                                       |

**Hawkstone Refurbishment**

Status: Hawkstone low rise expected on site in 2013/14

Type of works: WDS

Original Agreed budget: £7.0m

| Programme area   | Planned Start on site Date | Original planned start on site date | Comment   |
|------------------|----------------------------|-------------------------------------|---|
| Hawkstone Refurb | 2013/14                    | 2015/16                             | Hawkstone Low Rise expected on site Q2 2013/14. John Kennedy House Refurbishment on site. |

**Maydew Refurbishment**

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

Status: **Not started**  
 Type of works: **WDS**  
 Original Agreed budget: **£11m**

| Programme area | Planned Start on site Date | Original planned start on site date | Comment   |
|----------------|----------------------------|-------------------------------------|---|
| Maydew Refurb  | 2014/15                    | 2015/16                             | Maydew expected to start on site earlier than programmed in Q3 2014/15. |

**Minor Voids Capitalisation**

Status: **Ongoing programme**  
 Type of works: **Capitalisation of voids works**  
 Original Agreed budget: **£15.0m**

| Programme area             | Planned Start on site Date | Original planned start on site date | Comment              |
|----------------------------|----------------------------|-------------------------------------|----------------------|
| Minor Voids Capitalisation | Ongoing Programme          | Ongoing Programme                   | Capitalisation only. |

**Minor Voids WDS Works**

Status: **Ongoing programme**  
 Type of works: **Minor voids works**  
 Original Agreed budget: **£5.0m**

| Programme area | Planned | Original | Comment |
|----------------|---------|----------|---------|
|                |         |          |         |

**Major Works Status Report incorporating Warm, Dry and Safe**

**Landlord Obligations (Individual Heating)**

|                       | <b>Start on site Date</b> | <b>planned start on site date</b> |                    |
|-----------------------|---------------------------|-----------------------------------|--------------------|
| Minor Voids WDS Works | Ongoing Programme         | Ongoing Programme                 | Minor voids works. |



|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>15.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Gateway 1 - Procurement Strategy Approval<br>Lift Maintenance Contract               |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All Wards  |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Ian Wingfield, Deputy Leader and<br>Cabinet Member for Housing Management |                                 |

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

With 755 lifts in the borough we have one of the largest stock in the country and at the same time some of the oldest stock. When lifts break down it is clearly important that they are repaired quickly to avoid the significant inconvenience break downs cause for residents. I am aware that the problem of lift break downs is particularly acute on some estates and we are in the process of identifying a longer-term solution to address the underlying issues.

I have taken a personal interest in the performance of our lift contractor and recently chaired a meeting of the communal repairs working party. The meeting took evidence from the lift contractor and crucially identified areas where lessons can be learnt. Chief amongst these were responding to breakdowns quickly, replacing parts in a planned way before they become obsolete and keeping residents informed of repair work at all times. It was pleasing to note that good progress is being made. Lift availability over the last 12 months has increased from 96% to 97.4% and the London Fire Brigade has recently congratulated us on reducing lift trap-ins by 50% from 1421 in 2009 to 749 at the end of 2011.

It is my expectation that this procurement will build on much of the good work achieved to date and deliver the excellent service residents deserve.

### **RECOMMENDATION**

1. That the cabinet approves the revised procurement strategy outlined in this report for the Lift Maintenance Contracts – Contract A – north of the borough at an estimated annual cost of £1,721,000 and Contract B – south of the borough at an estimated annual cost of £1,398,000 for a period of five (5) years from 8 September 2014, with the potential for two (2) twelve month extensions, subject to performance, making an estimated contract value of £21,833,000

### **BACKGROUND INFORMATION**

2. A Gateway 1 report for the Lift Maintenance Contract was approved by cabinet on 17 April 2012 and is attached at Appendix 1. Since obtaining this approval, ongoing reviews have led to a need for a revised procurement strategy for lifts in general. These revisions and the reasons for them are set out in this report.
3. The works carried out for lifts within the housing department are currently split into two areas:

- Lift planned preventative maintenance (PPM) and repair works.
  - Lift refurbishment works.
4. The lift PPM and repairs work and the low value minor refurbishment works are currently being delivered through a single contract with Liftec Lifts Ltd. It was the re-procurement of this contract that was the subject of the original Gateway 1 report. The majority of the lift refurbishment works are currently procured through individual tender processes on an as required basis. Low value refurbishment works may be carried out through the existing lift maintenance contract.
  5. An ongoing review of the entire lift service has explored the options for amalgamating the delivery of services for both the PPM and repair works and the lift refurbishment works. This review has identified that by combining these two areas improved efficiencies and better value for money can be achieved.
  6. Combining both the areas of the lifts works will enable the coordination of the synergies of work. This will help to improve the performance of the service by reducing the need for responsive repairs and focusing more on planned maintenance works.
  7. By identifying lifts with obsolete parts on the PPM and repair works and lifts that are coming to the end of their working life, Engineering and Compliance will be able to respond and co-ordinate the refurbishment works with major Works, prior to lifts breaking down.
  8. By combining the budgets the value of the contract shall increase substantially. The Major works team have confirmed that the annual budget for lift refurbishment work is £1.5m. Also, in March 2013, the Engineering and Compliance Lift Repairs and Maintenance budget was increased by £400k per annum to incorporate the annual Building Maintenance Index (BMI) rise.
  9. As advised in the original Gateway 1 report, it is still the intention to let two contracts to cover the following geographical areas:
    - Contract A - North - Bermondsey, Borough & Bankside , Rotherhithe and Walworth
    - Contract B - South - Camberwell, Peckham, Peckham Rye and Dulwich

The table below shows how the combined budgets will be allocated to the individual contracts.

| <b>Lift Repair and Maintenance and Refurbishment estimated annual cost</b> |                   |                      |                   |
|--|-------------------|----------------------|-------------------|
|  | <b>R &amp; M</b>  | <b>Refurbishment</b> | <b>TOTAL</b>      |
| Contract A   | £971,000          | £750,000             | £1,721,000        |
| Contract B   | £648,000          | £750,000             | £1,398,000        |
| <b>TOTAL</b>   | <b>£1,619,000</b> | <b>£1,500,000</b>    | <b>£3,113,000</b> |

10. The substantial increase of the contract value means that the council's advertised procurement needs are now inaccurate. Continuing with the current process without advertising the revised procurement needs would present a substantial risk of challenge under EU legislation to the council. The council has two (2) options – the first of which is to amend the published notice to update the

procurement requirements and the second of which is to discontinue the existing process and re-advertise under a new procurement for the revised procurement needs. Whichever option is pursued the procurement timescale is likely to be the same. However, it is felt that the second option of discontinuing the current process and starting a new process presents a lower procurement risk to the council and will be less convoluted.

11. As the original process has started and the deadline of the pre-qualification questionnaire (PQQ) has passed, the council is aware of the level of response to the original advert. This was lower than anticipated. By starting a new process and advertising more attractive contracts, it is possible that an improved response will be obtained, providing a better level of competition and hopefully better value for the council.

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

12. The combining of both Lift Maintenance and Lift Refurbishment budgets increases the proportion of programmed works and provides potential contractors with more long term planned works.

### **Market considerations**

13. A higher level of interest is expected from the market due to the revised contract value and the inclusion of programmed refurbishment works.

### **KEY ISSUES FOR CONSIDERATION**

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

14. There have been no changes to the information that was provided in the Gateway 1 report approved by cabinet on 17 April 2012.

#### **Proposed procurement route**

15. Given the changes to the procurement strategy, the recommendation is that the existing process is discontinued and a new process is started. The council has reserved the right to do this in the PQQ and case-law supports that right.
16. The process going forward will be:
  - To issue a notice to discontinue the existing process.
  - Applicants that have already submitted a PQQ will be informed that the existing process has been discontinued and that a new process has been started for the council's revised procurement needs.
  - A new Contract Notice will be published in OJEU setting out the revised requirements of the council and inviting expressions of interest from applicants that wish to participate in the new process.
17. Given the revised procurement needs and the consequential need to restart the procurement process, the overall timescale for the completion of the procurement will increase. As a result of this, it will be necessary to extend the existing contract for a period of twelve (12) months to enable the procurement to

take place. A Gateway 3 report will be drafted to request the extension of the existing contract. The existing contract has the facility to be extended for a further twelve (12) months. The extended period makes provision for the forthcoming 2014 council elections and the purdah period during April and May 2014, and the potential need for tenderers to make multiple site visits prior to submission of final tenders.

#### Identified risks for the procurement

18. The risks detailed below are additions to the risks identified in the initial Gateway 1 report 17 April 2012 contained in the appendix.

| R/N | Risk Identification  | Likelihood | Risk Control  |
|-----|--|------------|---|
| R7  | Following contract award contractor ceases trading.  | Low        | Procurement strategy to award two (2) contracts to two (2) separate contractors provides back-up facility |
| R8  | Risk that contractor requests refurbishments over repairs in order to secure more higher value refurbishment work. | Medium     | Joint inspections by council officers and review of council asset monitoring databases                    |

#### Key /Non Key decisions

19. This is a key decision.

#### Policy Implications

20. There have been no changes to the information that was provided in the Gateway 1 report approved by cabinet on 17 April 2012.

#### Procurement Project Plan (Key Decisions)

| <b>Activity</b>  | <b>Completed by:</b>         |
|--|------------------------------|
| Forward Plan   | April 2012                   |
| DCRB Review Gateway 1<br>CCRB Review Gateway 1                                   | 20 May 2013<br>23 May 2013   |
| Notification of forthcoming decision –despatch of Cabinet agenda papers          | 28 May 2013                  |
| Approval of Gateway 1: Procurement strategy report                               | 26 June 2013                 |
| Scrutiny Call-in period and notification of implementation of Gateway 1 decision | 09 July 2013                 |
| Issue Notice of Intention  | 27 June 2012                 |
| Completion of tender documentation   | 12 June 2013                 |
| Issue new contract notice  | 24 Aug 2013                  |
| Closing date for expressions of interest   | 26 Sept 2013                 |
| Completion of short-listing of applicants  | 16 Oct 2013                  |
| Invitation to tender   | 30 Oct 2013                  |
| Closing date for return of tenders   | 19 Feb 2014                  |
| Forward Plan   | 13 March 2014                |
| Completion of any interviews   | 19 March 2014                |
| Completion of evaluation of tenders  | 29 March 2014                |
| Issue Notice of Proposal   | 02 April 2014                |
| Completed Notice of Proposal period  | 21 May 2014                  |
| DCRB Review Gateway 2<br>CCRB Review Gateway 2                                   | 03 June 2014<br>13 June 2014 |
| Notification of forthcoming decision – despatch of Cabinet agenda papers         | 18 June 2014                 |
| Approval of Gateway 2: Contract Award Report                                     | 27 June 2014                 |
| Scrutiny Call-in period and notification of implementation of Gateway 2 decision | 11 July 2014                 |
| Alcatel Standstill Period (if applicable)  | 14 July 2014                 |
| Contract award   | 15 July 2014                 |
| Place award notice in Official Journal of European (OJEU)                        | 17 July 2014                 |
| TUPE Consultation period   | 18 Oct 2014                  |
| Contract start   | 02 Jan 2015                  |
| Contract completion date   | 01 Jan 2020                  |
| Contract completion date – (if extension(s) exercised)                           | 01 Jan 2022                  |

21. The extended tender and mobilisation plan has taken into account the council elections scheduled for May 2014 and the six (6) week purdah period.

**TUPE/Pensions implications**

22. There are TUPE implications for the Lift repair and maintenance works as identified in the Gateway 1 report approved by cabinet on 17 April 2012. There are no TUPE implications on the Lift refurbishment works.

**Development of the tender documentation**

23. The contract documents will be prepared by Engineering and Compliance with the assistance of the Legal and Procurement departments. The new tender documentation will reflect the inclusion of the lift refurbishments.

**Advertising the contract**

24. As set out in paragraph 15 above, a new Contract Notice will be published in OJEU.

**Evaluation**

25. Whilst the majority of the council's requirements for response in the PQQ will remain as originally drafted, officers will reconsider changes that might be needed to reflect the additional lift refurbishment works. For those parts of the PQQ which remain unchanged, applicants will be permitted to confirm that their original response remains and will not be required to resubmit this information.
26. Following the period set for the receipt of completed PQQ submissions, all applicants will be evaluated and assessed against the council's published criteria to determine which applicants will be invited to tender.

**Community impact statement**

27. There have been no changes to the information that was provided in the Gateway 1 report approved by cabinet on 17 April 2012.

**Economic considerations**

28. There have been no changes to the information that was provided in the Gateway 1 report approved by cabinet on 17 April 2012.

**Social considerations**

29. Contractors will be required to demonstrate that they operate an Equal Opportunity Policy and that they are fully aware and compliant with council's own Equal Opportunity Policy.
30. Operatives pay is based on the Lift and Escalator Association Standard pay rates which exceed the London Living Wage.
31. The contracts will require the successful contractors to provide apprenticeships and school work placements.

### **Environmental considerations**

32. All lamps, light fittings and equipment being replaced will be disposed of in accordance with the latest Waste Electrical and Electronic Equipment Regulations (WEEE).
33. All recyclable packaging is to be set aside and disposed of via a recycling centre.

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

34. The contracts will be managed by the Engineering and Compliance team who will monitor both value and quality through improved key performance indicators and on- site inspections.

### **Staffing/procurement implications**

35. There have been no changes to the information that was provided in the Gateway 1 report approved by cabinet on 17 April 2012.

### **Financial implications**

36. The lift contract is an essential contract to ensure Housing Services can provide step free access to Tenants and Leaseholders for their health, safety and quality of life.
37. The Lift housing revenue budget of £1,618,669 per annum is available to cover the repairs and maintenance aspect of the lift contract and £1,500,000 per annum from the housing investment programme is available for lift refurbishments, providing a total of £3,118,669, which is sufficient to cover the Lift contract for the foreseeable future. Any BMI uplift will need to be contained within the allocated budget.

### **Investment implications**

38. The report requires £1.5m per annum from capital resources towards the total estimated annual contract cost of £3,118,669. The current Housing Investment Capital Programme contains an annual allocation of £1.5m for lifts within the Warm, Dry and Programme for this expenditure.
39. However, it should be noted that the current Warm, Dry and Safe programme is only budgeted up to 2015/15 and therefore a capital allocation of £1.5m per annum will need to be incorporated within the Housing Investment Capital Programme beyond this period to meet the ongoing cost.

### **Legal implications**

40. Please see the comments from the Director of Legal Services.

## **Consultation**

41. These contracts will be qualifying long term agreements within the terms of the Commonhold and Leasehold Reform Act 2002. Consultation with leaseholders is required under schedule 2 of the regulations, and this is a two stage process. The first stage has already been carried out, with notices of intention having been served on 20th July 2012 with the observation period ending on 22nd August 2012. 16,655 notices were served, and 34 observations received. There were no observations which would have led to a delay in proceeding with the contract.
42. The notices were served prior to the initial OJEU notice being published, so that leaseholders could notify their chosen contractors who could then express an interest in tendering. Home Ownership Services will write to all leaseholders again to inform them that the OJEU notice is to be re-issued, so that this element of the statutory consultation is complied with. However, there will be no need to re-issue the notices of intention as only the volume of work has changed.
43. If there is a requirement that the two contracts should be awarded to different providers, it will be necessary to have in place a defined procedure, that is fair and reasonable, for the allocation of contracts where one provider offers the most advantageous tender for both areas.
44. Further consultation will be required following receipt of the tenders before the Council enters into the agreements. It will be necessary at this second stage of consultation to provide to leaseholders a contract cost, service charge or unit rate.
45. Costs will be service charged through the annual charge and any changes to the way in which work is ordered and paid for should be discussed with the Service Charge Accountant to ensure that all costs can be attributed on a block by block basis.

## **Other implications or issues**

46. There have been no changes to the information that was provided in the Gateway 1 report approved by cabinet on 17 April 2012.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

47. This report is seeking approval from the Cabinet for the revised procurement strategy of two lift maintenance and repair contracts.
48. The report explains that an ongoing review of the requirement for lifts in general has led to a decision to combine the lift planned preventative and repair works with lift refurbishment works, increasing the value of the required contract. The benefits in doing this are set out in paragraphs 6, 7 and 11 of the report.
49. Although the proposed procurement route remains the same as the original procurement strategy, to mitigate any risk of challenge, it has been recommended that the original process is discontinued and a new process started. The process for this has been set out in paragraph 16 of the report.



50. Restarting the process shall have an impact on the original timescales making it necessary to revise the project timetable to allow for the additional time required. Paragraph 16 of the report advises that the existing contract has the capability to be extended to ensure that this period is covered. The procurement project plan sets out the revised timelines.

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

51. This report seeks cabinet approval to the revised procurement strategy for the Lift Maintenance Contracts – Contract A – north of the borough at an estimated annual cost of £1,721,000 and Contract B – south of the borough at an estimated annual cost of £1,398,000 for a period of 5 years from 8 September 2014, with the potential of 2 twelve month extensions, subject to performance, making an estimated contract value of £21,833,000 as outlined in this revised report.
52. As the revised procurement strategy proposed remains a strategic procurement, then this decision is reserved to cabinet (C.S.O. 4.4.2 (a)).
53. Paragraph 10 confirms that the substantial increase of the contract value means that the current advertised procurement needs are inaccurate and there is a need to discontinue the existing process as to continue with the current process without advertising the revised procurement needs would present a risk of challenge under EU legislation. This risk will be eliminated by discontinuing the existing process and re-advertising the revised procurement needs under a new procurement.

#### **Strategic Director of Finance and Corporate Services FC13/036)**

54. This report seeks cabinet approval to the revised procurement strategy for lift maintenance contracts. Financial implications are outlined in paragraphs 40 and 41 of this report which show £3.1m of resource is available in the 2013/14 budget. The strategic director of finance and corporate services notes that capital programme funding is currently available until 2014/15. The on going cost of this contract will need to be addressed in the next capital programme refresh.
55. Prior to contract award a full financial appraisal will be completed, including TUPE implications and ensuring the council's commitment to London Living Wage is met. Staffing and any other costs connected with this contract will be contained within existing departmental budgets.

#### **Head of Specialist Housing Services**

56. Repairs and maintenance to communal services, including lifts, is rechargeable to leaseholders under the terms of their leases. This recharge will form part of the annual service charges issued to leaseholders each year.
57. Full statutory consultation with leaseholders has been carried out in accordance with the landlord and tenant act 1985 (as amended), to ensure that the all costs can be recovered. Further statutory consultation will be carried out if there are any repair or refurbishment works required which would breach the consultation limit for qualifying works.
58. The head of specialist housing services is responsible for temporary and sheltered accommodation. Where repairs and/or planned maintenance are

required to lifts in sheltered housing units or temporary accommodation hostels then the contract managers will need to liaise with the Supported Housing Manager and Temporary Accommodation Services Manager.

59. It is essential that the contractor shows an understanding of the needs of vulnerable groups, particularly elderly tenants living in sheltered housing. Some of these schemes are attached to housing estates.

## BACKGROUND DOCUMENTS

| Background Documents   | Held At  | Contact                        |
|--|--|--------------------------------|
| Gateway 1 & 2 – Lift Maintenance and Repairs Contract - 20 June 2012. Chief officer delegated decision. The document is available to view on this web page:<br><a href="http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=302&amp;MId=4548&amp;Ver=4">http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=302&amp;MId=4548&amp;Ver=4</a> | Southwark Council,<br>3rd Floor,<br>160 Tooley Street, SE1 2QH | Gavin Duncumb<br>020 7525 0685 |
| Gateway 3 – Lift Maintenance and Repairs Contract - 2 July 2012. Chief officer delegated decision. The document is available to view on this web page:<br><a href="http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=302&amp;MId=4548&amp;Ver=4">http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=302&amp;MId=4548&amp;Ver=4</a>      | Southwark Council,<br>3rd Floor,<br>160 Tooley Street, SE1 2QH | Gavin Duncumb<br>020 7525 0685 |

## APPENDICES

| No         | Title   |
|------------|---|
| Appendix 1 | Gateway 1 “open” report - Lift Maintenance Contract - 17 April 2012 |

**AUDIT TRAIL**

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management |                          |
| <b>Lead Officer</b>   | Gerri Scott, Director of Housing and Community Services                           |                          |
| <b>Report Author</b>  | David Lewis, Head of Maintenance and Compliance                                   |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 14 June 2013  |                          |
| <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> |
| Head of Procurement   | Yes   | Yes                      |
| Director of Legal Services  | Yes   | Yes                      |
| Strategic Director of Finance and Corporate Services                    | Yes   | Yes                      |
| Head of Specialist Housing Services                                     | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |   | 14 June 2013             |

|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>10.             | <b>Classification:</b><br>Open | <b>Date:</b><br>17 April 2012   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Gateway 1 - Procurement Strategy Approval Lift Maintenance and Repairs Contract   |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All Wards   |                                 |
| <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**

With 755 lifts in the borough we have one of the largest stock in the country and at the same time some of the oldest stock. When lifts break down it is clearly important that they are repaired quickly to avoid the significant inconvenience break downs cause for residents. I am aware that the problem of lift break downs is particularly acute on some estates and we are in the process of identifying a longer-term solution to address the underlying issues.

I have taken a personal interest in the performance of our lift contractor and recently chaired a meeting of the communal repairs working party. The meeting took evidence from the lift contractor and crucially identified areas where lessons can be learnt. Chief amongst these were responding to breakdowns quickly, replacing parts in a planned way before they become obsolete and keeping residents informed of repair work at all times. It was pleasing to note that good progress is being made. Lift availability over the last 12 months has increased from 96% to 97.4% and the London Fire Brigade has recently congratulated us on reducing lift trap-ins by 50% from 1421 in 2009 to 749 at the end of 2011.

It is my expectation that this procurement will build on much of the good work achieved to date and deliver the excellent service residents deserve.

### **RECOMMENDATIONS**

That the Cabinet:

1. Approves the procurement strategy outlined in this report for the Lift Maintenance and Repairs Contracts – Contract A – north of the borough at an estimated annual cost of £696,803.40 and Contract B – south of the borough at an estimated annual cost of £464,535.60, for a period of 5 years from 1<sup>st</sup> October 2013, with the potential for 2 twelve month extensions, subject to performance, making an estimated contract value of £8,129,373.00.
2. Notes the rationale behind the geographical division of contract areas is based on the need to ensure efficient delivery of the service.

## BACKGROUND INFORMATION

3. The current contract delivers essential planned maintenance, repairs and refurbishments of passenger and disability lifts across the borough. The contract is split across the following three contract service areas:
  - Area 1 - Bermondsey, Leathermarket JMB, Borough & Bankside and Rotherhithe.
  - Area 2 - Walworth and Peckham
  - Area 3 - Camberwell, Peckham Rye and Dulwich
4. The provision of the services is essential for the day-to-day maintenance, repairs and refurbishment of passenger and disability lifts at residential properties owned by the council.
5. A contract for the services is currently in place with Liftec Lifts Ltd (“Liftec”) for all of the above areas and is due to expire on 1st January 2013.
6. Originally, Liftec were only awarded a contract for Area 3, with Areas 1 & 2 being awarded to Apex Lift and Escalator Engineers Ltd (“Apex”) for the same term. The contract term (applicable to both contracts) was 5 years from 2<sup>nd</sup> January 2008 with the option to extend by a further 24 months, in 12 month increments.
7. After the council determined the contract with Apex, Areas 1 & 2 were transferred to Liftec on the 22<sup>nd</sup> June 2010.
8. With the addition of Areas 1 and 2, Liftec are contracted to provide the Lift Maintenance and Repair works for the whole borough until 1<sup>st</sup> January 2013. A separate Gateway 3 Report will be submitted in April 2012 seeking approval to extend Liftec’s contract by a further 9 months until 30<sup>th</sup> September 2013.
9. The intention is to use the time between now and the 30<sup>th</sup> September 2013 to procure and award two (2) new separate contracts for the Lift Maintenance and Repair works and will commence on the 1<sup>st</sup> October 2013. The contracts will be awarded based on a revised geographical split of the borough as set out below, with an estimated term for each contract of 5 years. The contracts will include a provision for them to be extended by a further 24 months, in 12-monthly increments.
  - Contract A - North - Bermondsey, Borough & Bankside , Rotherhithe and Walworth
  - Contract B - South - Camberwell, Peckham, Peckham Rye and Dulwich
10. The revised geographical split of the borough shows that Peckham area has been transferred from former area 2 to the new Contract B – south of the borough, while Walworth area remains in Contract A for the north of the borough. This is to facilitate better logistical service coverage. Leathermarket JMB wish to be precluded from the proposed future lift contract. They will appoint their own lift contractor on expiry of the existing contract arrangement for lifts, with the council.
11. It should be noted that, given the number of lift assets across the borough, the appointment of a single contractor for the works would not be appropriate. It is

considered that such an arrangement would present a significant risk to the council should the contractor default or fail to perform. Such a risk would increase in the absence of any 'back-up' or support arrangement with an alternative contractor. Therefore no single contractor will be awarded both Contract Areas and there will be two separate contractors.

12. The current annual budget for the whole Lift Maintenance and Repairs contract stands at £1,161,339.00 and is apportioned at £ 696,803.40 for Area A and £464,535.60 for Area B.
13. Based on the current annual budget above, the total estimated value of the proposed contracts stand at £ 8,129,373.00 broken down as follows:
  - (i) Total cost for 5 year term = £ 5,806,695.00
  - (ii) Total cost of additional 2 year term = £2,322,678.00

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

14. The work proposed under these contracts will form an essential service to all residential blocks, with lift facilities, within the borough.
15. Residents with passenger and/or disability lifts facilities within their block, or stair lifts in their properties, rely on the council to ensure such that equipment is maintained in good working order, at all times. This step-free access provisions is essential to the health, safety and quality of life, of council residence.
16. By putting the works out for retender, the council will avail itself of the current market forces within the Lift Maintenance and Repairs sector and any commercial and technical benefits that may be available to promote a regime of continual improvement and cost reduction. A return to the works being contracted to two separate contractors, will also limit the council's risk exposure that exists under the current single source arrangement.
17. The contract duration of 5 plus 2 years achieves a balance between ensuring price competitiveness and allowing sufficient time to develop, embed and improve service delivery.

### **Market considerations**

18. There are a number of lift contractors within the market with the necessary capabilities and resources to undertake lift maintenance and repairs work on such a large scale. Most of these contractors specialise in commercial properties as opposed to social housing developments.
19. In some respects, social housing is considered a niche market within the lift industry and some of the larger contractors prefer not to bid for social housing contracts. It is envisaged that interest in the contract will come from medium to large size lift contractors, who have extensive experience of maintaining large numbers of lift assets for local authorities.

### **Proposed procurement route**

20. Procurement will be carried out in accordance with an EU Restricted Procedure. In response to the notices, contractors interested in tendering will be required to

formally express an interest in order to receive a Pre-Qualification Questionnaire (PQQ).

21. In accordance with the requirements of an EU Restricted Procedure a minimum of 5 contractors will be selected for the tender list, subsequent to the PQQ process.

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

22. The council considered the following options before determining the procurement strategy set out in this report:

- Do Nothing – This is not an option open to the council. As a landlord and an employer, the council has a statutory obligation to provide ‘step free’ access in residential buildings. The council must therefore provide this essential service at all times.
- Use an existing Framework Agreement – The council has no existing framework agreements in place for this type of work. There are no other suitable frameworks for this type of work available. This has been precluded as an option.
- Shared Services - The feasibility of sharing services with neighbouring borough council's was investigated by Engineering and Compliance. However, shared services were precluded as an option based on the following:

- **Greenwich Council**

Greenwich Council is 2 years into a 10 year partnering deal with Apex. There is a lack of feedback from them on the contractors' performance to-date.

The contract arrangement does not have provision for the scope to be extended to allow other boroughs to join.

- **Lewisham Council**

Lewisham Council is 2 years into a 5 year contract with Precision Lifts. The total contract value is significantly lower (more than 50%) than the council's Lift Maintenance and Repairs Contract and cannot be varied. This option has therefore been precluded from further consideration.

- **Lambeth Council**

Lambeth Council is 11 months into a 7 year contract with Apex. No detailed feedback was received as the contractors' performance is being assessed.

The contract arrangement does not have provision for the scope to be extended to allow other boroughs to join.

- The council provides these services in-house - the work is highly specialised and the expertise does not exist within the council.

23. Given the specialist nature of the work and its high value, the work will be tendered under an EU Restricted Procedure.

#### Identified risks and how they will be managed

24. The table below identifies a number of risks associated with this procurement, the likelihood of occurrence and the control in place to mitigate the risks.

| R/N | Risk Identification                 | Likelihood | Risk Control   |
|-----|-------------------------------------|------------|--|
| R1  | Gateway 1 approval delayed          | Low        | Ensure report submitted to DCRB, CCRB and Cabinet on time with all concurrents in place  |
| R2  | Procurement process becomes delayed | Medium     | Continual review of the procurement process.<br><br>In the event of a possible delay, re-visit the process and evaluate with the Engineering and Compliance team |
| R3  | Deadline for advertising delayed    | Low        | Re-evaluate and adjust the programme for procurement   |
| R4  | Challenges to procurement outcome   | Low        | Ensure procurement process is transparent and conducted in accordance with CSO governance and OJEU. Continually monitor throughout the procurement process.      |



| R/N | Risk Identification          | Likelihood | Risk Control  |
|-----|------------------------------|------------|---|
| R5  | Contract award delayed       | Medium     | Engineering and Compliance to liaise with Legal. If necessary, approach incumbent contractor to provide interim arrangements and extend contract. |
| R6  | Security For Due Performance | Medium     | Contractors will be required to provide Performance Bonds and Parent Guarantees (subject to ownership by a parent company)                        |

## KEY ISSUES FOR CONSIDERATION

### Key /Non Key decisions

25. This report is a strategic procurement and is therefore a key decision.

### Policy implications

26. In order to fulfil its duties as a landlord and employer, the provision of 'step free' access in residential buildings across the borough is essential. The Lift Maintenance and Repairs contracts ensure that the council continues to comply with current legislation.

**Procurement project plan (Key decisions)**

| <b>Activity</b>   | <b>Complete by:</b>          |
|---|------------------------------|
| Forward Plan (if Strategic Procurement)   | April 2012                   |
| DCRB/CCRB/CMT Review Gateway 1: Procurement strategy approval report (this report)        | 27 Feb 2012<br>29 March 2012 |
| Notification of forthcoming decision - Five clear working days (if Strategic Procurement) | 5 Apr 2012                   |
| Approval of Gateway 1: Procurement strategy report (this report)                          | 17 Apr 2012                  |
| Scrutiny Call-in period and notification of implementation of Gateway 1 decision          | 30 Apr 2012                  |
| Issue Notice of Intention   | 14 May 2012                  |
| Completion of tender documentation  | 26 Jun 2012                  |
| Advertise the contract  | 12 July 2012                 |
| Closing date for expressions of interest  | 3 Sept 2012                  |
| Completion of short-listing of applicants   | 17 Sept 2012                 |
| Invitation to tender  | 19 Sept 2012                 |
| Closing date for return of tenders  | 4 Dec 2012                   |
| Completion of evaluation of tenders   | 19 Feb 2013                  |
| Completion of any interviews  | 27 Mar 2013                  |
| Issue Notice of Proposal  | 28 Mar 2013                  |
| DCRB/CCRB/CMT Review Gateway 2: Contract award report                                     | 6 May 2013<br>9 May 2013     |
| Notification of forthcoming decision (five clear working days)                            | 6 Jun 2013                   |
| Approval of Gateway 2: Contract Award Report  | 14 Jun 2013                  |
| Scrutiny Call-in period and notification of implementation of Gateway 2 decision          | 26 June 2013                 |
| Alcatel Standstill Period (if applicable)   | 16 Jul 2013                  |
| Contract award  | 12 Jul 2013                  |
| Contract start  | 1 Oct 2013                   |
| Contract completion date  | 30 Sept 2018                 |

### **TUPE implications**

27. The appointment of two new contractors in this proposed retender will amount to a Service Provision Change and therefore TUPE is likely to apply however until due diligence is carried out definitive advice on TUPE cannot be provided. This due diligence work needs to be carried out before the tender process commences as its results need to be included in the tender pack.

### **Development of the tender documentation**

28. The specification and contract documentation will be prepared by the Engineering & Compliance team in conjunction with the council's legal department.
29. The form of contract to be used will be JCT Measured Term Contract 2011, which will be subject to amendment as directed by the council's legal department.

### **Advertising the contract**

30. The contracts will be advertised by way of an official notice that will be published in OJEU.
31. Subsequent to publication of the OJEU Notice, the contracts will also be placed on the council's website.

### **Evaluation**

32. The PQQs returned will be evaluated by the Engineering and Compliance team. The selection process will be an evaluation of each contractor's economic and financial standing and their technical knowledge, experience, ability and capacity provide the service. Those who successfully pass the short listing stage will be invited to tender. The threshold score percentage, for a successful pre-qualification will be 50%.
33. The tender evaluation criterion will follow the Most Economical Advantageous Tender (MEAT) protocol. The assessment of the tender will be based on price/quality ratio of 70:30.
34. Price evaluation will be undertaken by members of the Engineering and Compliance team. Method statements will be used in assessing the quality and appropriateness of working practices. Tenderers will be required to provide information on their organisation, which will include (but not be limited to) experience, approach to and compliance with health and safety, organisation structure, number of personnel and their relevant qualifications, transport / logistics infrastructure, out of hours working and 24 hour helpdesk support etc., that demonstrates their ability to fulfil the requirements of the contract. The full evaluation methodology will be agreed by the Engineering and Compliance Team.

### **Community impact statement**

35. The Lift Maintenance and Repair contracts will be a borough-wide service. They are concerned with responsive and planned works and seek to improve the quality of the service to residents.
36. They will affect all communities/ groups in the borough and will in turn improve the quality of life for the residents. Direct benefit to residents will include limiting the incidence of breakdown and a more effective lift service.

### **Sustainability considerations**

37. The contracts will adhere to the council's Sustainability Policy. Where possible, materials purchased will be from sustainable sources. However, the overriding decision on material selection will be the materials conformity to BS and IS standards to ensure maximum safety and suitability.
38. Sustainability goals will be set for the contracts and where possible the Lift Maintenance and Repairs contractors will be required to carry (and evidence) out the following:
  - 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

### **Economic considerations**

39. It is envisaged that expressions of interest will be submitted by interested parties within the EU in response to the OJEU advertisement for the contract. As the contract will also be put on the Southwark website, it is anticipated that this will also attract the interest of more local lift contractors and afford them the opportunity to register their interest in competing for the work.

### **Social considerations**

40. Contractors will be required to demonstrate that they operate an Equal Opportunity Policy and that they are fully aware and compliant with council's own Equal Opportunity Policy.
41. Operatives pay is based on the Lift and Escalator Association Standard pay rates which exceed the London Living wage.

### **Environmental considerations**

42. The use of low emission vehicles and planning of journeys will be encouraged within the contracts. A waste consignment note will be requested from removal contractors by the consultants to ensure materials containing asbestos are not fly-tipped but disposed at a controlled site.

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

43. The contracts will be managed by the Engineering and Compliance team, who will also monitor both the value and quality of the work carried out.

**Staffing/procurement implications**

44. There will be no impact on council staff caused by re-tendering these contracts. The Engineering and Compliance team are already fulfilling the works ordering and monitoring roles of the current contract and these functions will continue under the new contracts.

**Financial implications - (FIN0679 – JP)**

45. The Lift contract is an essential contract to ensure Housing Services can provide step free access to Tenants and Leaseholders for their health, safety and quality of life.
46. The current housing management budget is sufficient to cover the £1,161,339 proposed cost for the Lift contract for the foreseeable future.

**Legal implications**

47. These are contained in the supplementary advice from the Strategic Director of Communities, Law & Governance.

**Consultation**

48. Consultation will be conducted with residents through tenants' forums.

**Other implications or issues**

49. Not applicable

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS****Strategic Director of Communities, Law & Governance**

50. This report seeks the approval of the cabinet to the procurement strategy for the lift maintenance and repairs contracts – Areas 1 and 2 (Contract A) at an estimated annual cost of £696,803.40 and Area 3 (Contract B) at an estimated annual cost of £464,535.60 for a period of 5 years, with the potential for 2 twelve month extensions, making an estimated contract value of £8,129.373.00 as outlined in this report.
51. Contract standing orders 5.4 requires all reasonable steps to be taken to obtain at least 5 tenders following a publicly advertised competitive tendering process for non-construction works and services over £75,000 and construction works and services over the EU threshold.
52. As these services are Part A services under the Public Contracts Regulations 2006 and the estimated value of this contract exceeds the relevant EU threshold, they must also be tendered in accordance those Regulations.
53. Paragraphs 20 & 21 of this report confirm that a restricted stage tendering procedure is proposed which will comply with EU regulations and CSO tendering requirements.

54. This contract is classified as a strategic procurement and therefore CSO 4.4.2a) requires the cabinet or cabinet committee to approve the proposed procurement process, after taking advice from the corporate contracts review board (CCRB).

#### **Finance Director**

55. This gateway report recommends that the cabinet approves the procurement strategy for the lift maintenance and repairs contracts for a period of 5 years from 1st October 2013, with the potential for 2 twelve month extensions subject to performance and notes the rationale behind the geographical division of contract areas.
56. The finance director notes the financial implications contained within the report and the total estimated contract value of £8,129,373.00. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

#### **Head of Procurement**

57. This report is seeking approval to procure two separate repairs and maintenance contracts for the lifts across the borough's housing stock. The report explains the two contracts will be based on a geographical split and provides justification for having two separate contracts. With two contractors in place this will provide the necessary back up arrangements in the event that these are required.
58. The procurement process will follow a full EU restricted procurement route which is reflected in the procurement timetable. Paragraph 33 confirms that a weighted evaluation model 70/30 in favour of price will be used which is in line with the councils current recommended approach.
59. The procurement timeline is achievable provided the necessary resources are lined up to carry out the required activities e.g. evaluation. It is important that there is appropriate governance arrangements in place for this project as this will help ensure the project delivers on time and continuity of service is maintained.

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

60. These contracts will be qualifying long term agreements within the terms of the Commonhold and Leasehold Reform Act 2002. Consultation with leaseholders is required under schedule 2 of the regulations and must be completed before tenders are invited through OJEU. This first stage of consultation has not yet been undertaken.
61. If there is a requirement that the two contracts should be awarded to different providers, it will be necessary to have in place a defined procedure, that is fair and reasonable, for the allocation of contracts where one provider offers the most advantageous tender for both areas.
62. Further consultation will be required following receipt of the tenders before the Council enters into the agreements. It will be necessary at this second stage of consultation to provide to leaseholders a contract cost, service charge or unit rate.

63. Costs will be service charged through the annual charge and any changes to the way in which work is ordered and paid for should be discussed with the Service Charge Accountant to ensure that all costs can be attributed on a block by block basis.

### BACKGROUND DOCUMENTS

| Background Documents | Held At | Contact |
|----------------------|---------|---------|
| None                 |         |         |

### APPENDICES

| No:  | Title: |
|------|--------|
| 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 Services                               |  |                          |
| <b>Report Author</b>  | David Lewis, Head of Engineering and Compliance                                   |  |                          |
| <b>Version</b>  | Final   |  |                          |
| <b>Dated</b>  | 4 April 2012  |  |                          |
| <b>Key Decision?</b>  | Yes   | <b>If yes, date appeared on forward plan</b> | March 2012               |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |   |  |                          |
|   | <b>Officer Title</b>  | <b>Comments Sought</b>                       | <b>Comments included</b> |
|   | Strategic Director of Communities, Law & Governance                               | Yes  | Yes                      |
|   | Finance Director  | Yes  | Yes                      |
|   | Head of Procurement   | Yes  | Yes                      |
|   | <b>Contract Review Boards</b>   |  |                          |
|   | Departmental Contracts Review Board   | Yes  | Yes                      |
|   | Corporate Contracts Review Board  | Yes  | Yes                      |
|   | <b>Cabinet Member</b>   | Yes  | Yes                      |
|   | <b>Date final report sent to Constitutional Team</b>                              |  | 4 April 2012             |

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>16.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Gateway 2 – Contract Award Approval<br>Long-term Repairs and Maintenance Contract    |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All  |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Ian Wingfield, Deputy Leader and<br>Cabinet Member for Housing Management |                                 |

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

Delivering an excellent repairs service is fundamental to improving customer satisfaction with the council. The council is committed to delivering a repairs service that it, and residents, can be justly proud of. The council aspires to treat every resident as if they were a member of one’s family. As the repairs service is one of the most important interactions with our residents, the award of this new contract is an ideal opportunity to make this commitment a reality.

Good progress has been made in improving the repairs service. Tough decisions have been taken on who provides and manages the service in the borough. This demonstrates that the council will not shy away from taking decisions that will improve the service to residents and deliver our ambition of providing one of the best repairs services in the country.

However, the service still has some way to go before it is truly delivering the service residents deserve. There are still too many instances of the service going wrong and when it goes wrong it tends to do so badly. All too often it is frustrating for residents to access the service or be kept advised of progress resulting in many repeated contacts. This has to be improved. This new contract will provide a new style service, which truly puts the customer first, one that challenges service improvement and aspires to deliver a greatly improved repairs service for residents.

The foundations of an excellent repairs service are in place. This will be built upon over the coming months and years.

**RECOMMENDATION**

Cabinet is asked to:

1. Approve the award of the repairs and maintenance contract covering Camberwell, Peckham, Peckham Rye, Nunhead and Dulwich (and borough wide temporary accommodation) to Mears Ltd for an annual value of up to £11m to commence from 3 October 2013 for five years with the option to extend for a further period up to five years (three plus two years), subject to performance, making an estimated contract value of £110,000,000.



## BACKGROUND INFORMATION

2. Arising from the termination of the repairs and maintenance contract with Morrison Facilities Services Limited on 2 October 2012, the council put in place interim arrangements to deliver the service for 12 months from 3 October 2012. Following competition, Mears Ltd were appointed from the Watford Community Housing Trust repairs and maintenance framework.
3. Putting in place this 12 month interim contract provided the council with the space and time it required to work through the options available for the long-term delivery of the repairs service. This was considered to be acting reasonably as it balanced the combined needs of continuing to provide a repairs service with delivering a high quality and value for money service, while also allowing the opportunity to shape and redefine future repairs service delivery.
4. The procurement strategy for the long-term repairs and maintenance contract was approved by Cabinet on 17th July 2012 and the procurement project plan is set out below.
5. **Procurement project plan (Key Decision)**

| Activity   | Completed by/Complete by: |
|--|---------------------------|
| Issue Notice of Intention  | 01/06/12                  |
| Approval of Gateway 1: Procurement Strategy Report                               | 17/07/12                  |
| Invitation to tender   | 16/10/12                  |
| Closing date for return of tenders   | 14/01/13                  |
| Completion of evaluation of tenders  | 28/02/13                  |
| Issue Notice of Proposal   | 11/03/13                  |
| Forward Plan for Gateway 2 decision  | 08/04/13                  |
| DCRB Review Gateway 2  | 08/04/13                  |
| CCRB Review Gateway 2  | 11/04/13                  |
| Notification of forthcoming decision – despatch of Cabinet agenda papers         | 18/06/13                  |
| Approval of Gateway 2: Contract Award Report                                     | 26/06/13                  |
| Scrutiny Call-in period and notification of implementation of Gateway 2 decision | 05/07/13                  |
| Alcatel Standstill Period (if applicable)  | 08/07/13                  |
| Contract award   | 22/07/13                  |
| Add to Contract Register   | 22/07/13                  |
| Publication of award notice in Official Journal of European (OJEU)               | 22/07/13                  |
| Contract start   | 03/10/13                  |
| TUPE Consultation period   | N/A                       |

| Activity   | Completed by/Complete by: |
|--|---------------------------|
| Contract completion date                             | 02/10/18                  |
| Contract completion date – if extension(s) exercised | 02/10/23                  |

## KEY ISSUES FOR CONSIDERATION

### Description of procurement outcomes

6. The works will affect the properties in the south of the borough, namely those in Camberwell, Peckham, Nunhead, Peckham Rye and Dulwich (including borough-wide temporary accommodation).
7. The works comprise of all day to day repairs and maintenance to both residential and non-residential housing stock. In summary the work includes:
  - Demolitions and alterations;
  - Excavation and earthwork;
  - Concrete and brickwork repairs;
  - Asphalt work;
  - Roofing;
  - Woodwork and timber treatment;
  - Damp proofing;
  - Metalwork;
  - Plumbing;
  - Mechanical installations;
  - Floor, wall and ceiling finishes;
  - Glazing;
  - Painting and decorating;
  - Drainage;
  - Fencing;
  - Paving;
  - Window repair/replacement;
  - Asbestos removal;
  - Ventilation works;
  - Electrical works;
  - Planned maintenance;
  - Project management and supervision.
8. The proposed works are based on the term brief specification, preliminaries and a range of challenging key performance indicators.
9. The additional objectives to be delivered from this contract comprise of:
  - Achieving high levels of resident satisfaction
  - Delivering repairs right first time every time
  - Limited recalls and call backs and duplication
  - Residents treated with respect as though they were members of one's own family
  - A constant and relentless drive for value for money

- Accessible and visible customer services catering for all residents' needs
- Keeping residents constantly informed of service progress and being fully involved in service improvement
- Responding quickly to service failure and learning from complaints
- Motivated and highly focussed workforce committed to delivering the excellent service residents deserve

### Policy implications

10. An excellent responsive repairs service puts residents at the heart of service delivery. This contract was procured in this context and one that challenged service improvement and aspired to deliver a greatly improved repairs service for residents.

11. In 2011, the council's Housing and Community Safety scrutiny sub-committee carried out a review of the housing repairs service. The report's findings made uncomfortable reading:

*There needs to be a new culture of openness and transparency between officers, members and tenants with respect to the Housing Repairs Service.*

*Contractor performance has been allowed to drift to the point where missed appointments are commonplace and repairs are left cancelled or incomplete. This cannot be allowed to continue.*

*KPIs appear to have been used, in the main, to project a positive image of the service to members and tenants. This 'presentational' approach needs to come to an end.*

12. The sub-committee made 13 recommendations to improve housing repairs and over the past two years, the council has worked closely with its repairs contractors to respond fully to the recommendations as well as carrying out its own service improvement programme. The council now wishes to build on these improvements for the future.

13. The council shares a corporate commitment to deliver a repairs service that it, and residents, can be justly proud of. The council aspires to treat every resident as if they were a member of one's family and, as the repairs service is one of the most important interactions with the Borough's residents, the procurement of this contract is an ideal opportunity to make this commitment a reality.

14. The quality of the repairs and maintenance service is crucial to improving overall customer satisfaction with the council. This contract award will help create a new style service, which truly puts the customer first. Residents tell us that the repairs service has a long way to go to truly meet their expectations. They have also told us that a 'right first visit' approach is what really matters to them. In appointing a long-term partner the council was particularly seeking one that would go the extra mile to deliver fantastic customer service and who would always do what they said they will do.

15. The council has already reorganised the way in which it works to ensure that repairs is given a sufficiently high profile to drive the necessary continuous improvement. Firstly, a new Housing Services department was created in January 2011 to ensure a dedicated focus on the services received by residents of the council's housing. Secondly, a new division concentrating on day to day

repairs and compliance went live in September 2011. Thirdly, an interim repairs contractor, Mears Ltd, was appointed in October 2012. All of this activity has already brought about significant improvements, particularly around repairs right first time, customer satisfaction, complaints escalation, sub-contracting and contract management.

16. However, despite these changes, the repair service is still a bottom quartile performer. The council has commenced the process of moving the repairs service into upper quartile performance and challenging targets have been set in order to achieve this. It is the council's expectation that the long-term partner will hit the ground running and build on the progress achieved to date.
17. One of the areas where the council needs to improve is to recognise that leaseholders are our customers too. This is particularly important in a Borough like Southwark where leaseholders make up a quarter of our residents, and pay significant service charges for communal repairs. The repairs contractor must be prepared to deliver an equally excellent service for both leaseholders and tenants.

### **Packaging Strategy**

18. The approach to packaging was set out in procurement strategy approved by Cabinet in July 2012. In essence, all repairs and maintenance services were included in this procurement; however two Work Elements, namely the out of hours service and works to empty properties, were separately evaluated to determine whether delivery was better placed through the in-house contractor, Southwark Building Services (SBS) or external provision.
19. Packages were therefore divided into three Work Elements:
  - Work Element 1 – Responsive repairs and maintenance
  - Work Element 2 – Emergency works outside of normal working hours
  - Work Element 3 – Works to empty properties
20. At the outset of the procurement process, contractors were advised that the award decision for these services involved a decision being made on the model of service delivery to be adopted for the repairs and maintenance service in the south of the borough i.e. totally outsourced service (where the contractor provides all Work Elements) or partially outsourced service (where the contractor and the Council will deliver Work Elements). To enable the final stage in the process, SBS were invited to submit proposals in relation to Work Elements 2 and 3 only.

### **Tender process**

21. The tender process has followed the requirements of the EU Procurement Regulations (Restricted Procedure). The evaluation of tenders was based on the Most Economically Advantageous Tender, with 70% of marks based on quality and 30% on price. The council's standard evaluation criteria is based on 70% price and 30% quality.
22. However, for repairs and maintenance the cornerstones of a successful service are repairs delivered on time, completed right first time and achieving high levels of resident satisfaction. The driver is therefore much more focussed on quality outcomes rather than price. As such the council's standard evaluation criteria

was reversed to 70% quality and 30% price. This sent out a clear message to the market that the council expects a high quality repairs service and not simply the cheapest one.

23. The contracts were advertised in the Official Journal of the European Union (OJEU) on 31 July 2012. A total of 53 contractors requested a copy of the council's Pre-Qualification Questionnaire (PQQ) in response to the OJEU advertisement.
24. In order to qualify for the Invitation to Tender Stage (Stage Two), all contractors had to demonstrate that they were financially viable and technically capable of delivering the contract.
25. The Council received a total of 11 completed PQQs (21% return) by the closing date on Friday 7 September 2012.
26. PQQ's were evaluated by an evaluation panel consisting of officers from Maintenance and Compliance, Specialist Housing Services with overview and challenge by Northgate Public Services. The PQQ was the first stage test to ensure organisations were capable of delivering the contract. The evaluation process involved a robust and thorough assessment of technical capability. Four areas were tested and organisations needed to pass all four to be invited to stage two, the Invitation to Tender (ITT). The four areas used for PQQ assessment were:
  - Financial – Experian checks (credit rating test) and Turnover Tests (an assessment of turnover to ensure organisations were of the appropriate size to deal with the value of the contract for which an expression of interest had been made).
  - Equality and Diversity – must meet the Council's standards.
  - Health and Safety – must meet the Council's standards.
  - Technical questions about delivering a repairs and maintenance service (detailed method statement were required and scored by the Evaluation Panel) – must meet the Threshold.
27. Following this thorough process, a total of five contractors were rejected because of failing to meet the required standard. Contractors failed because they were unable to demonstrate the appropriate experience, expertise, track record or financial capacity to deliver the contract.
28. On Tuesday, 16 October 2012, Invitation to Tenders were sent to six contractors. SBS were also invited to submit proposals in respect of Work elements 2 and 3.
29. The closing date for returned tenders was Monday 14 January 2013. However, one contractor withdrew before the closing date.
30. A series of tender clarification questions were received. The issues ranged from clauses in the technical specification through to clarification about TUPE. Questions were responded to quickly and circulated to all contractors.
31. On 14 January, the remaining five contractors returned the ITT along with SBS.

### Tender evaluation

32. In accordance with the Gateway 1 report, two evaluation panels were established; one to deal exclusively with quality and the other with price. The quality panel consisted of the same combination of officers that undertook the PQQ assessment as set out in paragraph 26 above. The price evaluation panel consisted of Quantity Surveyors from Potter Raper Partnerships, the council's external cost consultants. For probity, panels were kept separate so that quality and price could be independently reviewed. Both evaluation panels were challenged and facilitated by Northgate Public Services.
33. Given the packaging strategy outlined above, the evaluation panel first focused on evaluating the five submissions of the external contractors to confirm the highest ranked contractor. The subsequent steps of the evaluation process are set out in paragraphs 40 and 41 below.

### Price Evaluation

34. The 30% weighting for price was sub-weighted across the three Work Elements as follows:

|   | <b>Work Element</b>                             | <b>Sub-Weighting %</b> |
|---|---|------------------------|
| 1 | Responsive repairs and maintenance              | 17.5                   |
| 2 | Emergency works outside of normal working hours | 1                      |
| 3 | Works to empty properties                       | 11.5                   |

35. A Price Evaluation Model was designed to help the council carry out a robust evaluation of price. The model was prepared using historical data in relation to the service and predicted annual spend levels. The weightings used were based on the annual value of each Work Element. Works were valued in accordance with the NHF Schedule of Rates.

### Quality Evaluation

36. The quality assessment was based on six main tender questions which covered all aspects of repairs and maintenance delivery. The score was based on the contractors' submissions, but this was clarified (and its veracity and accuracy verified) by the following methods:
- At a clarification meeting
  - By responses to clarification questions (if any)
37. As mentioned above, the verification process involved a clarification meeting and responses to clarification questions. No issues of contradiction or uncertainty arose from this process.

### **Combined Price and Quality Scores**

38. Once the evaluation of both price and quality was completed the scores were added together. Mears Ltd were the highest ranked contractor following evaluation and represented the Most Economically Advantageous Tender and could be recommended for Work Element 1 – Responsive repairs and maintenance.
39. However, for Work Element 2 – Emergency works outside of normal working hours and Work Element 3 – Works to empty properties, award would be subject to comparison with SBS, as identified in the packaging strategy detailed in paragraphs 18-20 above.

### **Comparison with SBS for Work Elements 2 and 3**

40. Southwark Building Services were required to submit proposals, including costs, for the delivery of both these Work Elements. The SBS submission was evaluated and scored using the same methodology used for the five other contractors for these Work Elements. The evaluation panel considered this submission and compared it to the final scores of Mears Ltd.
41. Mears Ltd scored higher than SBS for both Work Elements. This perhaps reflects the position that SBS is on an improvement journey that is focussed on improving the repairs service in the north of the borough and there is still some way to go and much to do.

### **Recommended Contractor**

42. Overall, Mears Ltd was ranked first when compared to the four external providers and were ranked first when compared to SBS for both Work Elements 2 and 3.
43. Accordingly, Mears Ltd is recommended for contract award for all three Work Elements in Camberwell, Peckham, Peckham Rye, Nunhead and Dulwich (including borough-wide temporary accommodation).

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

44. As the incumbent contractor mobilisation is more straightforward. Nevertheless, mobilisation is still very important to ensure a smooth transition takes place between the interim and new contract. There are a number of new initiatives to be delivered through the contract and it is important that these are delivered. These include: sub-contracting for non-specialist works to be reduced to 10 per cent (in year two of the contract); moving to two hour and Saturday morning appointment slots and an increase in post inspections. A mobilisation project team will be established to work through the key differences between the two contracts and ensure arrangements are in place from 3 October 2013.

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

45. There will be robust arrangements in place to monitor the contract. Strategically, The Head of Maintenance and Compliance will hold monthly meetings with the Mears Ltd regional director, to review performance and other key areas. In addition, the repairs core group, chaired by the Deputy Leader and Cabinet

Member for Housing and attended by residents and senior officers, also meets monthly and will challenge performance and track improvement plans. Operationally, the contracts will be managed by the council's repairs and maintenance and commercial teams. At least monthly formal contract meeting will be in place and performance measurement will be through a key suite of performance indicators.

#### Identified risks for the new contract

46. The table below identifies a number of risks associated with this contract procurement, the likelihood of occurrence and the control in place to mitigate the risks.

| R/N | Risk Identification  | Likelihood | Risk Control   |
|-----|--|------------|--|
| R1  | Contract award delayed   | Low        | Strong project management structure in place to avoid. As the award is to the incumbent a delay would not effect service continuity given the five months between award and contract start.  |
| R2  | Ineffective Mobilisation & Transition from Old to New Contract | Low        | Mobilisation project team will be established to ensure the smooth transition between contracts.   |
| R3  | Risk of a successful challenge by an unsuccessful contractor   | Low        | All decisions signed off by the Procurement Project Board. All key documents signed off by corporate procurement and legal. External legal advisers and cost consultant advice also provided. When combined a robust and thorough procurement process has been undertaken. |

#### Community impact statement

47. Repairs and maintenance is a universal service that is offered to all tenants and residents of the Borough. The proposal to appoint Mears Ltd at this time will ensure there is sufficient time to mobilise and plan a smooth transition between the old and new contract.

#### Social considerations

48. Mears Ltd are on the council's approved lists and have carried out a substantial amount of major works for the council. Mears Limited are fully aware and compliant with council's own Equal Opportunity Policy. Mears Ltd have confirmed that they pay the London Living Wage. Compliance and added quality benefits will be monitored throughout the duration of the contract. Mears Ltd are have committed to providing at least six apprenticeships in each year of the contract and will also continue to recruit labour locally and work with local small and medium size enterprises.



### **Sustainability considerations**

49. The contract will adhere to the council's Sustainability Policy. Where possible, materials purchased will be from sustainable sources. However, the overriding decision on material selection will be the materials conformity to BS and IS standards to ensure maximum safety and suitability.
50. Sustainability goals will be set for the contract and where possible the contractor will be required to carry out (and evidence) the following;
  - 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

### **Market considerations**

51. Officers believe the market has been adequately tested based on the tenders received from five of the six invited contractors that returned the tender documents.
52. Mears Ltd will be encouraged to make use of local labour wherever possible as is common practice.
53. Mears Ltd:
  - a. Is a private organisation and
  - b. Employs more than 13,000 staff

### **Financial implications (SB-FIN0768)**

54. The report seeks to award the repairs and maintenance contract covering the south of the borough to Mears Limited with effect from 3 October 2013. In order to address the long-standing issues of a poor quality repairs service and increase resident satisfaction, contract evaluation is based on 70% quality, 30% price, which is a departure from the norm. The base budget available for this contract is circa £11m per annum for 2013/14 and will remain so for the foreseeable future, subject to inflationary uplifts.
55. The contract is subject to annual price uplifts based on the BMI index which will need to be contained within the base budget available. Expectations are that over time as the WDS and other planned maintenance programmes increase, reactive repairs will show a decline which will reduce the budgetary need and allow for service redirection.

### **Second stage appraisal**

56. In the current economic climate the construction industry is volatile. By way of mitigation against any risks, the council arranged for a second stage financial appraisal to be undertaken by RSM Tenon on Mears Ltd. The company is placed at a very low risk status.

### **Legal implications**

57. Please see concurrent from the director of legal services

### **Consultation and Communication**

58. Before and during the procurement process presentations were made to both Tenants and Home Owners Councils. In addition representatives from both Councils have been involved in the procurement process. Further presentations are scheduled to be made to Tenant and Homeowners Council after the Cabinet decision. Further consultation with tenants and resident associations will be part of the mobilisation process.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

59. This report is seeking approval from cabinet for the award of the housing repairs and maintenance contract covering Camberwell, Peckham, Peckham Rye, Nunhead & Dulwich (and borough wide temporary accommodation).
60. The report confirms that the procurement strategy set out in the previously approved Gateway 1 report has been followed with a full restricted EU competitive process being undertaken.
61. The report describes the evaluation process that was carried out and that tenders were evaluated using a weighted model to determine the most economically advantageous tender (MEAT).
62. This procurement process was designed to assess whether the contract would achieve best value through a completely outsourced service or partially outsourced service with elements delivered by in-house resources. The contract was therefore split into three lots covering, general repairs, out of hours emergency works and works to void properties and the in house provider was asked to submit proposals for two of the three elements.
63. The evaluation process is outlined in paragraphs 32 to 41. After assessing the quality and price of the external tender submissions, a further stage was included for two of the lots. At this stage, a comparison was made between the highest ranked external submission and the internal submission. Paragraph 43 of the report confirms that the result of the comparison led to the recommendation to award all elements of work to an external organisation.
64. The report sets out plans for the transition in 44 and paragraph 45 describes how the contract will be managed and monitored throughout the life of the contract.

### **Director of Legal Services**

65. This report seeks the cabinet's approval to the award of the repair and maintenance contract to Mears Limited as further detailed in paragraph 1. As the estimated contract value is £110m, this award relates to a strategic procurement and the decision is therefore reserved to the cabinet.

66. The nature and value of the services to be supplied under the contract are such that the procurement is subject to the full application of the EU procurement regulations. As noted in paragraph 21, a full EU tendering process has been undertaken in accordance with the restricted procedure. The council's criteria for award of this contract is on the basis of the most economically advantageous tender, details of which are noted at paragraph 22. Following evaluation the tender submitted by Mears Limited was judged to represent the most economically advantageous tender for the 3 work elements. As part of the process, SBS were also invited to submit proposals for work elements 2 and 3, which were then compared with the highest scoring bid. The outcome of this additional evaluation is that Mears Limited are recommended for award of all 3 work elements.
67. Contract standing order 2.3 requires that a contract should only be awarded if the expenditure involved has been identified. Paragraphs 54 and 55 confirm the financial implications of this award.

#### **Strategic Director of Finance and Corporate Services (FC13/024)**

68. This report seeks approval for the award of the repairs and maintenance contract covering Camberwell, Peckham, Peckham Rye, Nunhead and Dulwich (and borough wide temporary accommodation) to Mears Ltd.
69. This The Strategic Director of Finance and Corporate Services notes the financial implications in paragraphs 54 and 55 and that the budget required for this service will need to be identified in the Housing revenue Account in future years, including an inflationary awards.

#### **Head of Specialist Housing Services**

70. This contract is a Qualifying Long Term Agreement under the terms of the Commonhold and Leasehold Reform Act 2002. Consultation has been undertaken under schedule 2 of the regulations appertaining to the above Act. Notice of Intention was served on 1 June 2012. Notice of Proposal was served on 6 March 2013.
71. The consultation period for the Notice of Proposal ended on 14 April 2013 and 40 observations were received. The issues raised ranged from the balance between cost and quality in evaluation; quality of work and the arrangements in place for monitoring the contract. No issues were raised that would suggest that the contract should not be entered into.

**BACKGROUND DOCUMENTS**

| <b>Background documents</b>   | <b>Held At</b>                                | <b>Contact</b>               |
|---|---|------------------------------|
| Gateway 1 Long-term Repairs and Maintenance Contract<br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4245&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4245&amp;Ver=4</a> | Maintenance and Compliance, 160 Tooley Street | David Lewis<br>0207 525 7836 |

**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 and Community Services                 |                          |
| <b>Report Author</b>  | David Lewis, Head of Maintenance and Compliance                                   |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 26 June 2013  |                          |
| <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> |
| Head of Procurement   | Yes   | Yes                      |
| Director of Legal Services  | Yes   | Yes                      |
| Strategic Director of Finance and Corporate                             | Yes   | Yes                      |
| Head of Specialist Housing Services                                     | Yes   | Yes                      |
| <b>Contract Review Boards</b>   |   |                          |
| Departmental Contract Review Board                                      | Yes   | Yes                      |
| Corporate Contract Review Board   | Yes   | Yes                      |
| <b>Cabinet Member</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |   | 6 June 2013              |

|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>17.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Gateway 2 – Contract Award Approval<br>Communal Lighting and Lightning Protection<br>Contract |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All Wards   |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Ian Wingfield, Deputy Leader and<br>Cabinet Member for Housing Management          |                                 |

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

Good estate lighting plays an important role in deterring crime and making residents feel safe and secure in their neighbourhoods. When lights fail it is clearly important that they are repaired quickly to avoid the inconvenience outages cause for residents.

I have had a great deal of feedback from residents about estate lighting. Chief amongst the issues was the need to respond to outages quickly; the need for proactive inspections being undertaken to identify problems early, particularly in the autumn and winter months; and the need to keep residents informed of repair work at all times. I am pleased that all of these issues will be incorporated into the new contract and working practices between the contractor and council officers.

The proposed new contract will bring together estate lighting and lightning protection, which will not only provide better value for money but also mean service delivery is more efficient and responsive. The new contract will also allow the council to build on the good work already started on using LED lighting. This will offer lights that last longer, provide better lighting and reduce CO2 emissions.

It is my expectation that this new contract will build on much of the good work achieved to date and deliver the excellent service residents deserve.

### **RECOMMENDATION**

1. That the cabinet approves the award of the Communal Lighting and Lightning Protection contract to Spokemead Maintenance Ltd for the estimated sum of £896,000 per annum for the period of 3 years from 1 October 2013 to the value of £2,688,000; with the option to extend by a further 2 years in 12 monthly increments making the total estimated contract value £4,480,000.

## BACKGROUND INFORMATION

2. A Gateway 1 report setting out the strategy for the procurement of Communal Lighting and Lightning Protection contract was approved on 15 May 2012. The strategy set out that the services being supplied by two (2) separate contractors would be combined to tender for one (1) contract through the tendering process. This strategy was adhered to.
3. The scope of the proposed contract encompasses the following work streams;
  - Responsive repairs to communal lighting and landlords supplies
  - Annual tests to lightning protection systems
  - Responsive repairs to lightning protection systems
  - Stock condition surveys of all communal lighting covered in this contract
  - Emergency lighting tests; and
  - Builders work in connection with services.

### Procurement project plan (Key Decision)

4. See table below:

| Activity   | Completed by: |
|--|---------------|
| Forward Plan for Gateway 2 decision  | 01 March 2013 |
| Approval of Gateway 1: Procurement Strategy Report                               | 15 May 2012   |
| Issue Notice of Intention  | 12 Sept 2012  |
| Invitation to tender   | 23 Jan 2013   |
| Closing date for return of tenders   | 04 March 2013 |
| Completion of evaluation of tenders  | 19 March 2013 |
| Issue Notice of Proposal   | 09 April 2013 |
| DCRB Review: Gateway 2   | 02 May 2013   |
| CCRB Review: Gateway 2   | 16 May 2013   |
| Notification of forthcoming decision – despatch of Cabinet agenda papers         | 28 May 2013   |
| Approval of Gateway 2: Contract Award Report                                     | 26 June 2013  |
| Scrutiny Call-in period and notification of implementation of Gateway 2 decision | 11 July 2013  |
| Alcatel Standstill Period (end date)   | 21 July 2013  |
| Contract award   | 22 July 2013  |
| Add to Contract Register   | 22 July 2013  |
| Publication of award notice in Official journal of European (OJEU)               | 25 July 2013  |
| TUPE Consultation period   | 30 Sept 2013  |
| Contract start   | 01 Oct 2013   |
| Contract completion date   | 30 Sept 2016  |

| Activity   | Completed by: |
|--|---------------|
| Contract completion date – if extension(s) exercised | 30 Sept 2018  |

## KEY ISSUES FOR CONSIDERATION

### Description of procurement outcomes

5. These services will maintain Housing's existing assets and deliver regular planned inspections and maintenance of Communal Lighting and Lightning Protection to comply with current legislation. This includes housing blocks, sheltered housing units, temporary accommodation hostels and tenant's halls.
6. The contract brings together the responsive repairs and planned maintenance to communal lighting, landlord supplies and lightning protection for council housing stock into a single contract to ensure that efficient and cost effective services are obtained.

### Key/Non Key Decision

7. This report deals with a key decision.

### Policy implications

8. The provision of a Communal Lighting and Lightning Protection service is required in order that the council fulfils its duties and obligations as a landlord and employer. The maintenance of communal lighting is also important in contributing to community safety objectives, reducing the fear of crime and deterring vandalism of property.

### Tender process

9. Following the placement of the OJEU advertisement, Expressions of Interest were received from 31 bidders. Pre-Qualification Questionnaires (PQQ) were immediately dispatched to each of the bidders.
10. The PQQ contained the following sections to be completed:
  - a. Section A – General Information (Info Only)
  - b. Section B – Financial (Pass or Fail)
  - c. Section C – Equal Opportunities (Pass or Fail)
  - d. Section D - Health and Safety (Pass or Fail)
  - e. Section E – References (Info Only) – it was required that references should relate to the case studies provided in Section H
  - f. Section F – Environmental (Pass or Fail)
  - g. Section G – Quality (Pass or Fail)
  - h. Section H – Technical contained 9 questions with a minimum threshold of 50%.

11. The PQQ submissions were evaluated by the following members of the project team:

| Section Evaluated   | By whom (post)                                     |
|---------------------|--|
| General Information | Commercial Manager and Assistant Quantity Surveyor |
| Financial           | Management Accountant                              |
| Equal Opportunities | Commercial Manager and Assistant Quantity Surveyor |
| Health & Safety     | External Consultant – Potter Raper Partnership     |
| References          | Assistant Quantity Surveyor                        |
| Environmental       | External Consultant – Potter Raper Partnership     |
| Quality Assurance   | External Consultant – Potter Raper Partnership     |
| Technical           | Contracts Manager and Electrical Engineer          |

12. A total of 13 bidders returned PQQ submissions by the required deadline of 8 October 2012. The Invitation to Tender (ITT) was sent out to the shortlisted bidders on 23 January 2013.
13. It was the council's intention that six (6) bidders should progress to the ITT stage. However, only five (5) of the submissions achieved the required standards set out in the PQQ.
14. It should be noted that an internal service provider, London Borough of Southwark – Public Realm Asset Management Business Unit, responded to the advert. The internal service provider was treated in exactly the same way as other bidders.
15. An "Information Day" was held on 6 February 2013 at Tooley Street and was presented by the Commercial Manager and the Electrical Contracts Manager. This enabled the Council to ensure that tenderers submitted a compliant tender. All of the five (5) shortlisted bidders attended.
16. In total four (4) tenders were returned to Tooley Street by the tender return date of 4 March 2013. Tenders were opened on 5 March 2013 and checked for compliance.

### **Tender evaluation**

17. The Tender Evaluation Panel (TEP) consisted of the following individuals, with areas of evaluation being conducted separately from each other.

| AREA EVALUATED | BY WHO (POST)  |
|----------------|--|
| Price (70%)    | Commercial Manager and G.A.S. Consultant                               |
| Quality (30%)  | Electrical Contract Manager, Electrical Engineer and Quantity Surveyor |

18. All returned tenders were checked for arithmetic accuracy and consistency with the ITT submissions.
19. Tenders were evaluated using the council's standard 70% price 30% quality split. A Price Schedule Model was used, which contained various annexes covering the different work streams and hourly rates. The model includes for all housing



blocks, sheltered housing units, hostels and tenant resident association halls. This tendering approach is intended to preclude tactical tendering of any work streams and reduce the risk of uncontrolled expenditure.

20. Each annexe contained a pre-priced schedule of rates and indicative quantities for each schedule based on previous historical data and the tenderers were required to put a + / - % against each annexe, including their hourly rate and cost of performance bond.
21. The quality assessment was based on information received from tenderers in response to method statements covering Mobilisation, Service Delivery and Management.
22. Each member of the TEP independently assessed each method statement response. The TEP then checked the scoring for consistency and agreed a consensus score. Final scores were calculated to ascertain the tenderer's overall score.
23. The award of contract is based on the Most Economically Advantageous Tender. It is therefore recommended that the contract is awarded to Spokemead Maintenance Ltd as they achieved the highest overall score.

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

24. The Electrical Contracts Manager and the Commercial Manager have developed an overall plan to manage and monitor this critical phase and ensure the transition from the current service delivery to a single contract is successful.
25. As soon as the contract is awarded:
  - a. Weekly mobilisation meetings will be held with Spokemead Maintenance Ltd at Tooley Street, and site visits for Lightning Protection will be organised with the current service provider.
  - b. As Spokemead Maintenance Ltd is the incumbent Communal Lighting contractor, the opportunity will be taken to review existing systems for this area of work.
  - c. Preparations for the final handover with Central High Rise Ltd, the Lightning Protection service provider, and Spokemead Maintenance Ltd will be completed prior to the contract commencing.
  - d. The Electrical Contracts Manager will be responsible for arranging meetings with key stakeholders (Call Centre, Housing Team, Sheltered Housing Team, Southwark's Monitoring and Response Team) to ensure there is a seamless transition.
  - e. As Spokemead Maintenance Ltd is the incumbent contractor TUPE consultation will not be required. There are no TUPE implications for the Lightning Protection service provider, Central High Rise Ltd.

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

26. The Electrical Contracts Manager and Electrical Engineer will manage the contract and will be responsible for authorising works, inspecting quality and monitoring the performance of the contractor. The Engineering and Compliance Quantity Surveyor will manage commercial aspects of the contract. Engineering and Compliance Quantity Surveyors will review the monthly valuations and select

jobs that require post inspections to ensure quality and financial accuracy. Monthly meetings will be undertaken and recorded.

27. Works orders will be raised and managed through iWorld, where all information relating to orders will be contained. The contractor will be required to provide 10% post-inspections that will be rigorously audited by the Electrical Engineer.
28. Crucial for any estate lighting contract is the need for pro-active rather than reactive inspections. Spokemead Maintenance Ltd will work directly with the proposed new Communal Repairs Compliance Officers (CRCO) who will lead on weekly inspections throughout the year of all communal lights across the borough. This approach will ensure faulty and broken lights are identified and resolved quickly. The CRCO will be empowered to use the appropriate sanctions under the contract should performance by Spokemead Maintenance Ltd fall short of the council's high expectations.
29. The table below shows the Key Performance Indicators for the contract.

|    | <b>Key Performance Indicator</b>   | <b>Minimum Target Percentage</b> | <b>Council's Objective</b> |
|----|--|----------------------------------|----------------------------|
| 1. | Percentage of Emergency (Priority Code 0 and 1) Orders commenced during that month and completed within the stipulated time periods in each Order. | 95%                              | 100%                       |
| 2. | Percentage of Priority Code 2, 3 and 4 Orders completed within the stipulated time periods.  | 95%                              | 98%                        |
| 3. | Percentage of Orders for which an appointment can be made and is kept.   | 95%                              | 100%                       |
| 4. | Percentage of Orders for which a Recall Notice (recall Order) has not been issued within the calendar month.                                       | 98%                              | 100%                       |
| 5. | Completion of response repairs at the time of the first visit.   | 90%                              | 95%                        |
| 6. | Percentage of Planned Inspection and Testing Program On Time.  | 98%                              | 100%                       |
| 7. | Response to queries or complaints from residents and Council Officers to meet the Council's Corporate Complaints Policy i.e. within 5 days.        | 100%                             | 100%                       |

#### **Identified risks for the new contract**

30. The table below identifies a number of risks associated with this contract procurement, the likelihood of occurrence and the controls in place to mitigate the risks.

|  | <b>Risk Identification</b> | <b>Likelihood</b> | <b>Risk Control</b> |
|--|----------------------------|-------------------|---------------------|
|--|----------------------------|-------------------|---------------------|

|    | Risk Identification   | Likelihood | Risk Control  |
|----|---|------------|---|
| R1 | Contract award delayed  | Low        | Engineering and Compliance to liaise with Legal. If necessary, approach incumbent Lightning Protection service provider to provide interim arrangements.  |
| R2 | Ineffective Mobilisation & Transition from Old to New Contract                  | Low        | Mobilisation / demobilisation meetings and weekly site visits, in conjunction with the current Lightning Protection service provider.<br>Active operational risk management strategy<br>Contract management systems<br>Scheduled hand-over project management |
| R3 | Spokemead Maintenance Ltd ceases trading, go into administration or liquidation | Low        | Engineering and Compliance will utilise the approved contractor list on an interim basis while a procurement plan is put in place.  |

31. Spokemead Maintenance Ltd has complied with the contract documents and will provide a Performance Bond. Spokemead Maintenance Ltd has confirmed that they do not have a parent company and therefore a Parent Company Guarantee will not be obtained.
32. The contract documents contain a break clause to terminate the contract with no consideration of any loss or expense.

### **Design Specification Compliance**

33. All repair and maintenance works orders will be carried out in accordance with the technical specification contained in the contract documents.

### **Leasehold implications**

34. The work to be undertaken within this contract is service chargeable within the terms of the lease, and the element appertaining to the maintenance of the communal lighting and lightning protections systems will result in charges over an annual period that are above the limit for statutory consultation which means these will be charged to leaseholders.
35. Costs will be service charged through the annual charge and any changes to the way in which work is ordered and paid for should be discussed with the Service Charge Accountant to ensure that all costs can be attributed on a block by block basis

### **Community impact statement**

36. Spokemead Maintenance Ltd provides employment and apprenticeship opportunities to the local community. The award of this contract will secure existing jobs, particularly among those with dependents who currently enjoy the benefits of the contractor's flexible working policies, and continue to provide local

young people with the opportunities for additional apprenticeships in this high skill sector.

37. Workplace experience will also be offered to local schools. This will be organised by Engineering and Compliance.

#### **Economic considerations**

38. The full cost to the council and the life span of the contract is set out in paragraph 1 of this report.
39. The award of the contract to Spokemead Maintenance Ltd contributes to a 3.5% (£31,360) saving on existing schedule of rates which will allow for more works to be completed.
40. Spokemead Maintenance Ltd is based in the borough and 55% of its employees are local residents.

#### **Social considerations**

41. Spokemead Maintenance Ltd demonstrated that they operate an Equal Opportunity Policy and that they are fully aware and compliant with the council's own Equal Opportunity Policy, in particular.
42. In February 2012, the Council Assembly introduced plans to ensure that, where appropriate, contractors pay staff at a minimum rate equivalent to the London Living Wage (LLW) rate. Spokemead Maintenance Ltd confirmed that they met the LLW requirements and supported the council's decision. On award the quality improvements and cost implications will be monitored as part of the annual review
43. Spokemead Maintenance Ltd recognised that paying above the LLW offers enhanced quality of work from a motivated workforce and a lower staff turnover.

#### **Environmental considerations**

44. All lamps, light fittings and equipment being replaced will be disposed of in accordance with the latest Waste Electrical and Electronic Equipment Regulations (WEEE).
45. All recyclable packaging is to be set aside and disposed of via a recycling centre.
46. No hazardous materials will be used.
47. Spokemead Maintenance Ltd will be issued with the council's current asbestos register to avoid any risk of exposure to the contractor or the residents.

#### **Market considerations**

48. Spokemead Maintenance Ltd is a local contractor for the provision of electrical services to the public sector and employs over 30 qualified electricians.

#### **Staffing implications**

49. There will be no impact on council staff caused as a consequence of implementing this contract. Officers are already fulfilling the works ordering and

monitoring roles of the current contracts and these functions will continue under the new contract.

50. This contract will be managed by the Electrical Contracts Manager and Commercial Manager for Engineering and Compliance.

### **Financial implications**

51. The Communal Lighting and Lightning Protection is a borough-wide contract covering responsive repairs and maintenance of all light fittings and lightning protection systems on housing estates.
52. The current HRA budget for Communal Lighting contract is £746,171 per annum within Engineering for the foreseeable future and £150,000 has been identified within the Repairs and Maintenance budget to cover the Lighting Protection costs. This will be transferred to the Engineering budget to allow a budget of £896,171, which is sufficient to cover the estimated cost of £896,000. Allowing £2,688,513 for the three years and £4,480,855 for the five year period.
53. Any Building Maintenance Index increases will need to be contained within this budget. Costs arising within the revised Repairs and Maintenance budget after transfer, will need to be contained within the reduced R & M budget.

### **Investment implications**

54. There are no investment implications.

### **Second stage appraisal (for construction contracts over £250,000 only)**

55. An Experian Credit Check report was obtained on the 24 April 2013. Spokemead Maintenance Ltd are a below average risk contractor.

### **Legal implications**

56. Please see comments from the Director of Legal Services.

### **Consultation**

57. This contract is a qualifying long term agreement within the terms of the landlord and tenant act 1985 (as amended). It is subject to consultation under schedule 2 of the regulations. Notices of Intention were served on all council leaseholders on 20.7.12. Notices of Proposal were served on all leaseholders on 5.4.13.
58. The consultation period for the Notice of Proposal ended on 9.5.13. The Head of Specialist Housing Services has formally notified the contract procurement team that the observation period has finished. There were 18 observations received from leaseholders following the issue of 17,130 notices. All of the observations were responded to and none of them raised any issues that would affect the progress of the contract.
59. Consultation under schedule 3 of the regulations will be required on any individual items of work carried out within the contract where there will be a charge that exceeds £250 for any leaseholder.

**Other implications or issues**

60. Not applicable.

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS****Head of Procurement**

61. This report is seeking approval from Cabinet for the award of a communal lighting and lightning protection contract. These services, currently being delivered through two separate contracts have been combined into a single contract.
62. The procurement strategy set out in the previously approved Gateway 1 report has been followed with a full restricted EU competitive process being undertaken.
63. Paragraphs 17 – 23 of the report describe the evaluation process that was carried out and that tenders were evaluated using a weighted model to determine the most economically advantageous tender (MEAT). The report confirms that the recommended provider scored highest on both quality and price.
64. As two contracts are being combined into a single contract it is important that a robust process is in place to ensure a smooth transition from the old contracts to the new. The report sets out plans for the transition in Paragraphs 24 and 25.
65. Paragraphs 26 - 29 describe how the contract will be managed and monitored throughout the life of the contract. With officers now managing only one contractor it is envisaged that efficiencies may be achieved through the client managing function supporting the contract.

**Director of Legal Services**

66. The director of legal services notes the contents of the report which seeks the approval of cabinet to the award of the Communal Lighting and Lightning Protection Contract to Spokemead Maintenance Ltd for the estimated sum of £896k per annum for the period of 3 years from 1 October 2013 to the value of £2.688m; with the option to extend by a further 2 years in 12 monthly increments making a total estimated contract value £4.48m as outlined in this report.
67. On the basis of the information contained in this report, it is confirmed that this procurement was carried out in accordance with contract standing orders and the relevant legal requirements
68. This report confirms that, as required by law, tenders were sought from providers following an EU procurement exercise and that the most economically advantageous tender is recommended for acceptance. A contract award notice will need to be posted in the OJEU within 48 days of the award of the contract.
69. As part of the contract award process, there will need to be a standstill period of a minimum of 10 calendar days between notification of the successful tenderer that they have won the contract and the award of the contract to that tenderer, so as to allow unsuccessful tenderers the opportunity to challenge (if they decide to) the award of the contract.

- 70. This contract is classified as a strategic procurement and therefore CSO 4.5.2 a) requires the cabinet or cabinet committee to authorise the award of this contract, after consideration by the corporate contracts review board (CCRB) of the report.
- 71. CSO 2.3 provides that a contract may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the council. Paragraphs 53 to 55 of this report confirm how the proposed contract will be funded.

#### **Strategic Director of Finance and Corporate Services (FC13/030)**

- 72. The strategic director of finance and corporate services notes the financial implications detailed in paragraphs 51 to 53 of this report. It is also noted that this represents a 3.5% saving on existing contract costs. Budget will be retained at the same level allowing for more works to be completed. The cost in future years, including any increases
- 73. Provision has been made within the 2013/14 HRA budget to fund the total cost of the contract. This will need to be identified, along with any increases inflationary increases in future year's budgets.
- 74. The strategic director of finance and corporate services also notes the method of procurement, transition arrangements and monitoring system to be put in place to manage the contract.

#### **Head of Specialist Housing Services**

- 75. Repairs and maintenance to communal services, including lighting and lightning protection, is rechargeable to leaseholders under the terms of their leases. This recharge will form part of the annual service charges issued to leaseholders each year.
- 76. Full statutory consultation with leaseholders has been carried out in accordance with the landlord and tenant act 1985 (as amended), to ensure that the all costs can be recovered. Further statutory consultation will be carried out if there are any repairs works required which would breach the consultation limit for qualifying works.
- 77. The Head of Specialist Housing Services is responsible for temporary and sheltered accommodation. Where repairs and/or planned maintenance are required to sheltered housing units or temporary accommodation hostels then the Electrical Contracts Manager and Electrical Engineer will need to liaise with the Supported Housing Manager and Temporary Accommodation Services Manager.

**BACKGROUND DOCUMENTS**

| <b>Background documents</b>   | <b>Held At</b>  | <b>Contact</b>                 |
|---|---|--------------------------------|
| Gateway 1 - Procurement Strategy Approval: Communal Lighting and Lightning Protection Contract – 15 May 2012<br><a href="http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=302&amp;MId=3823&amp;Ver=4">http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=302&amp;MId=3823&amp;Ver=4</a> | Engineering and Compliance,<br>160 Tooley Street, SE1 2QH | Gavin Duncumb<br>020 7525 0685 |
| “Open” Gateway 1 & 2 Communal Lighting – 20 June 2012<br><a href="http://moderngov.southwark.gov.uk/mgIssueHistoryHome.aspx?IId=19038&amp;Opt=0">http://moderngov.southwark.gov.uk/mgIssueHistoryHome.aspx?IId=19038&amp;Opt=0</a>  | Engineering and Compliance,<br>160 Tooley Street, SE1 2QH | Gavin Duncumb<br>020 7525 0685 |

**APPENDICES**

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



**AUDIT TRAIL**

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councilor Ian Wingfield, Deputy Leader of the Council and Cabinet Member for Housing Management |                          |
| <b>Lead Officer</b>   | Gerri Scott, Strategic Director of Housing and Community Services                               |                          |
| <b>Report Author</b>  | Gavin Duncumb, Commercial Manager   |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 13 June 2013  |                          |
| <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> |
| Head of Procurement   | Yes   | Yes                      |
| Director of Legal Services  | Yes   | Yes                      |
| Strategic Director of Finance and Corporate                             | Yes   | Yes                      |
| Head of Specialist Housing Services                                     | Yes   | Yes                      |
| <b>Contract Review Boards</b>   |   |                          |
| Departmental Contract Review Board                                      | Yes   | Yes                      |
| Corporate Contract Review Board   | Yes   | Yes                      |
| <b>Cabinet Member</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |   | 13 June 2013             |

|                        |                                |  |                                 |
|------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>18. | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>   |                                | 143 Copleston Road, East Dulwich SE15 4AQ<br>Disposal of Freehold interest |                                 |
| <b>Wards affected:</b> |                                | South Camberwell   |                                 |
| <b>From:</b>           |                                | Councillor Richard Livingstone, Finance, Resources and<br>Community Safety |                                 |

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

This report recommends that the cabinet agree to put the council's freehold interest in the house at 143 Copleston Road up for sale. The property is in a poor state of repair, due to structural movement, that makes bringing it back into use as council housing uneconomical. The sale of the property will raise capital to invest in the council's programme to make every council home Warm, Dry and Safe.

As this sale could raise over £500,000, it is compliant with the disposal policy agreed by the previous executive in March 2009 and reaffirmed by the cabinet report of 31 May 2011.

**RECOMMENDATIONS**

That the cabinet authorises

1. The head of property to dispose of the council's freehold interest in 143 Copleston Road, East Dulwich, SE15 (the "Property"), for a sum that equates to the market value of the Property.
2. The earmarking of the capital receipt for the purposes of funding the Housing Investment Programme.

**BACKGROUND INFORMATION**

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

4. Executive further resolved on the 17 March 2010 'that 100% of the receipts generated from the additional disposal of voids and land proposed by this report are used to fund both the housing investment programme to deliver Southwark's Decent Homes Standard and to deliver new housing through a Hidden Homes strategy and potentially some new build'.
5. The property has been identified as suitable for disposal as it meets the value requirements of the amended criteria set out in the 31 May 2011 cabinet decision which reviewed the void strategy, i.e. it is considered that the property has a value in excess of £300,000.
6. The property comprises a two storey Victorian double fronted end of terrace house. The property has suffered from structural movement and requires comprehensive refurbishment. It is estimated that in order to fully address all the structural and disrepair issues, together with a full refurbishment to a modern standard for occupation or letting, would cost in the region of £75,000; dependent on the specification and finish.
7. The property is identified in bold outline on the attached ordinance survey extract at Appendix 1.
8. The property is currently empty and is at further risk of deterioration and becoming squatted.
9. The property is held in the housing revenue account (HRA).
10. Authority to sell is delegated to the head of property in individual cases where the sale price is below £500,000. The sale price of the property may exceed this limit and cabinet approval is therefore required.
11. The property was declared surplus to the council's requirements by the director of regeneration on 07 May 2013.

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

12. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration and/or market value requirements. The sale of the property will comply with these requirements.
13. It is considered that due to the structural problems found at the property and its general condition, a sale by auction to be the most appropriate method of sale in this instance. The auction route is also quick and transparent. Prior to the auction a suitable reserve price representing market value will be agreed by the head of property in consultation with the auctioneer. A sale will only proceed if the reserve price is met or exceeded.
14. The sale of the property to owner occupiers, developers and/or investors should ensure that it is brought back into beneficial use.

15. This report recommends that the receipt from the sale of the property be earmarked for the Housing Investment Programme.

### **Policy implications**

16. The disposal of this property will generate a substantial capital receipt, which will be used to provide capital funding in support of the council's key priorities as set out in paragraphs 3-5 of this report. This includes the provision, refurbishment and redevelopment of affordable housing. This assists the council in meeting its commitment to regeneration and sustainability in housing as demonstrated through the 2009-2016 Southwark Housing Strategy.
17. As previously stated the disposal of the property is consistent with the recommendations contained within the report considered by Executive on the 17 March 2009 entitled 'Capital Income Generation for the Housing Investment Programme and Hidden Homes' as further endorsed by the 31 May 2011 cabinet report referred to above which noted the progress made to date and resolved to continue the void strategy.
18. The sale of properties within the HRA stock will have a negative impact on the number of council properties available to let. However, this will be offset by gains through the Hidden Homes programme and investment to retained stock, especially where decent homes have not yet been delivered.

### **Community impact statement**

19. Increased investment into Southwark's stock to provide warm, dry and safe homes will have a positive impact on disadvantaged and minority communities, who are statistically more likely to be council tenants than the general population as a whole.
20. As this property sale is considered to be non-contentious, consultation is thought not to be appropriate.
21. The proposed sale of this property will likely have a positive impact on the immediate community, in the event that the new owner subsequently refurbishes and/or improves it.

### **Resource implications**

22. This report recommends the disposal of the property on the open market for a sum that equates to the market value of the property. The property has been declared surplus to the council's housing requirements.
23. There will be a loss of rental income for this property in 2013/14 following the sale but the HRA rent budget for 2013/14 allows for stock loss through void sales. There are no current recurring costs.
24. As this property is being disposed of under the void strategy, set out in the report to executive on 17 March 2009 and endorsed at cabinet on 31 May 2011, the impact of loss of rental potential and on subsidy has been considered within the cumulative impact on the Housing Revenue Account of this strategy.

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

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

27. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 32 of the Housing Act 1985 is a pre-commencement statute that imposes limitations on the council's power to dispose of property.
28. The property is within the council's housing portfolio so the disposal can only proceed in accordance with section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
29. A number of general consents have been issued in the General Housing Consents 2012.
30. Consent A 3.1.1 states that "A local authority may, subject to paragraph 3.1.2, dispose of land for a consideration equal to its market value." "Land" includes buildings.
31. The exclusions in paragraph 3.1.2 apply to:
  - a) A disposal of land which is subject to a tenancy to occupy from the local authority to a landlord who is not another local authority; or
  - b) A disposal of land to a body in which the local authority owns an interest except:
    - i) Where the local authority has no housing revenue account; or
    - ii) In the case of a local authority with a housing revenue account, the first five disposals in a financial year.
32. Neither of the exclusions apply to the property.
33. The report indicates that the property is held in the councils housing portfolio and that a surplus declaration has been obtained.
34. If the cabinet is satisfied that the consideration that will be obtained for the property as referred to in paragraph [9][12] of this report represents market value, then the cabinet may approve the recommendation.

### Strategic Director of Finance and Corporate Services (FC13/035)

35. This report proposes that cabinet approve the sale of the council's freehold interest in 143 Copleston Road, SE15, with the capital receipt being earmarked for the Housing Investment Programme. This forms part of the council's void strategy as per paragraph 23.
36. The strategic director of finance and corporate services understands that the council will endeavour to obtain market value for these properties. No rental income is currently received as the property is empty and so there are no implications to rent collection rates in the housing revenue account.
37. Reasonable costs associated with the disposal will be met from receipts and officer time to implement this decision will be contained within current resources.

### BACKGROUND DOCUMENTS

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

### APPENDICES

| No.        | Title   |
|------------|---|
| Appendix 1 | OS plans, indicating 143 Copleston Road in bold |

### AUDIT TRAIL

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Richard Livingstone, Finance, Resources and Community Safety |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive  |                          |
| <b>Report Author</b>  | Tim Surry, Surveyor   |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 13 June 2013  |                          |
| <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                      |
| <b>Cabinet Member</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 13 June 2013  |                          |



TITLE. 143 Coplestone Road, SE15 4AQ.

DRAWING No. LBS\_2950

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DATE. 21/5/2013

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|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>19.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Colechurch House, SE1   |                                 |
| <b>Ward(s) or groups affected:</b> |                                | Riverside   |                                 |
| <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 that the council works in partnership with the Bridge House Estates to dispose of the land it owns along Duke Street Hill adjacent to Colechurch House. Doing so will enable a larger development on the site of Colechurch House whilst generating a sizable capital receipt for the council, to be invested in improving facilities for local residents. In addition, the new development made possible by this decision will contribute Community Infrastructure Levy (CIL) and S106 to improve the local environment.

The disposal of the land will not hinder pedestrian use of the space, as a development is likely to retain this thoroughfare through a colonnaded area whilst building over it.

## **RECOMMENDATION**

1. That the cabinet authorises the head of property to agree and where appropriate vary the terms of the Heads of Terms and agreement regarding the joint disposal of the sites at Duke Street Hill and Tooley Street SE1 in accordance with the terms set out in the closed cabinet report.

## **BACKGROUND INFORMATION**

2. The council holds land in Duke Street Hill SE1 that adjoins a site owned by the Bridge House Estates (Corporation of London) currently occupied by Colechurch House, a 1970's office building.
3. The Bridge House Estates site can be redeveloped in isolation or can be refurbished but this would not be straightforward nor would it provide particularly attractive or valuable floor space. However, with the adjoining land held by the council the potential size of the building and floor plates would make the re-development worthwhile. (Both sites are shown on the attached plan at Appendix 1).
4. It is proposed that the council and Bridge House Estates (Corporation of London) jointly offer both areas of land to the market for the purposes of a commercial office development. It is likely that any receipt would be in excess of the authorisation limit for disposals for the head of property.
5. The council land is open space with seating and it is anticipated that development would be over this space, possibly providing a two storey colonnade under the new offices. The land is currently held as public realm land



and is within the council's General Fund for property holdings.

6. The selected bidder would then enter into a sale agreement conditional upon planning and make an application for development of the site. If successful the land can then be sold, provided that the head of property has been able to confirm to cabinet that best consideration has been obtained.

### **Policy implications**

7. The disposal of this site could generate a capital receipt that can be used by the council to further its key strategic objectives.

### **Community impact statement**

8. The impact of the proposed development on the local community will be that a tired, inefficient office block is redeveloped to provide a larger office building, creating more employment opportunities and a capital receipt to spend upon council priorities.
9. It is likely that any development proposal would construct a two storey colonnade over the councils land under the office building so that its use by the public could continue.
10. A new development will contribute substantially by way of S106 contributions or CIL to mitigate any affects of the development [and create additional affordable housing]
11. There are no direct negative implications of the report's recommendations on the council's Managing Diversity and Equal Opportunities Policy.

### **Consultation**

12. There will be extensive consultation through the planning process with local people and stakeholders on any proposed development of the sites.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

13. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 123 of the Local Government Act 1972 is a pre-commencement statute which imposes limitations on the council's power of disposal.
14. Section 123 of the Local Government Act 1972 states that except with the consent of the Secretary of State, a council shall not dispose of land under that section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
15. The report indicates in paragraphs 17 and 22 of the closed report that the consideration proposed is the best that can reasonably be obtained.

16. The report also indicates in paragraph 5 that the land consists of open space. Section 123(2A) of the Local Government Act 1972 requires a council proposing to dispose of any land consisting or forming part of an open space to advertise notice of their intention to do so, specifying the land in question, in a newspaper circulating in the area in which the land is situated for 2 consecutive weeks and consider any objections to the proposed disposal which may be made to them. It will be necessary to do this prior to any disposal and this should form part of the disposal process
17. If the cabinet are satisfied that the disposal is for the best consideration that can reasonably be obtained it may proceed with approval of the recommendation.

#### **Strategic Director of Finance and Corporate Services (FC13/032)**

18. The strategic director of finance and corporate services notes the contents of this report. Any capital receipt generated would be reported and used to meet key council objectives.
19. The costs of officer time within the council's property and legal services will be met from existing council resources within property services.

#### **BACKGROUND DOCUMENTS**

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

#### **APPENDICES**

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

#### **AUDIT TRAIL**

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Richard Livingstone, Finance, Resources and Community Safety |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive  |                          |
| <b>Report Author</b>  | Marcus Mayne, Principal Surveyor  |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 13 June 2013  |                          |
| <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                      |
| <b>Cabinet Member</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 13 June 2013  |                          |

# Draft pdf source

TITLE.

Colechurch House,  
Duke Street Hill.

APPENDIX 1

KEY

London Borough of Southwark.

The Bridge House Estates.



DRAWING No.

INFORMATION PLAN  
ONLY

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Property Division

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28/5/2013

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|                                 |                               |  |                                 |
|---------------------------------|-------------------------------|--|---------------------------------|
| <b>Item No.</b><br>20.          | <b>Classification</b><br>Open | <b>Date:</b><br>26 June 2013   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>            |                               | Disposal of The Grange (Sites C2 and C4)<br>Bermondsey Spa, London SE1     |                                 |
| <b>Ward or groups affected:</b> |                               | Grange Ward  |                                 |
| <b>Cabinet Member:</b>          |                               | Councillor Richard Livingstone, Finance, Resources<br>and Community Safety |                                 |

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

In 2007, the council decided that its premises along the Grange - Mabel Goldwin House, Evelyn Coyle House and Gibson House - would be surplus to requirements when the previous executive agreed to take on the lease for 160 Tooley Street. The council has therefore been seeking potential purchasers for these sites.

This report recommends the sale of this land to the bidders who have offered the highest price for a viable scheme. In the unlikely event that these bidders cannot complete within three months of the decision, the site will be sold to the next highest bidder.

The council has now vacated Mabel Goldwin House. We are working with the Irish Pensioners Project, who currently use Evelyn Coyle House, to find suitable alternative accommodation for them.

## **RECOMMENDATIONS**

That cabinet agrees:

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

## **BACKGROUND INFORMATION**

4. At its meeting on 2 May 2007 the then executive approved the office accommodation programme. This identified several council owned buildings, including Mabel Goldwin House, that would become surplus and should be sold.

5. The Grange site is identified in the Bermondsey Spa Master plan as part of Site C. The subject site is also referred to as C2 and C4 and extends to a total of 1.36 acres (0.55hectares) and whose absolute freehold is held by Southwark Council in its General Fund.
6. The site is located within Bermondsey to the north of Bermondsey Spa gardens. The site is positioned at the junction of Grange Walk and the Grange to the northwest and Grange Yard and the Grange to the southeast. A site and location plan is attached at Appendix One.
7. The site comprises of three substantial buildings namely Mabel Goldwin House, Evelyn Coyle House and Gibson House. All these buildings are currently occupied on short term lease arrangements.
8. The site was declared surplus to requirements by the director of regeneration on 7 May 2013. The tenants have been notified of the council's intention to dispose of the site and are being supported in finding alternative accommodation.
9. For planning purposes the existing uses on site fall within classes B1, D1-non residential institutions and C2 residential as defined under the Town and Country Planning Use Classes Order 1987.
10. For development sites such as this there is a relationship between the price paid for the land and a developer's ability to fund planning gain; that is, affordable housing, CIL and s106 obligations. All planning gain agreements are subject to a viability test, which means there is scope for purchasers to recoup overpayment for land by negotiating a reduced planning gain obligation.
11. In its dual role as landowner and planning authority the council has a legitimate interest in understanding and maximising the full package of benefits from a sale, including planning gain. To help achieve this, and in order to allow a like for like comparison, bidders were instructed to make their offers on a fully planning policy compliant basis.
12. However, to properly assess compliance would require full details of bidder's schemes and information on the use and occupation of the site at the time of planning consent. Some of this information is simply not available and it is not considered practical or realistic to require bidders to supply a fully worked up design proposal as part of the marketing. As a result, there is a risk that the value of the total benefits package generated by a development (land price plus planning gain) may vary as the scheme design is refined, and that the balance between land price and planning gain may change.
13. To help manage this risk the marketing was undertaken in two stages. The first stage invited expressions of interest that included:
  - The price offered
  - A financial reference confirming the bidder has access to funds to purchase the site.
  - An outline of the scheme including general information on uses, layout, height and massing.
  - Evidence of the bidder's track record in line with their proposal.

14. Officers from Development Management were involved in assessing the offers and the six top bidders were invited to take part in a second stage of marketing. At this point bidders were asked to clarify scheme details and to estimate their CIL and s106 liabilities. Some bidders were not able to provide full details.
15. Bidders were also encouraged to confirm the treatment of overage:
  - Disposal Overage - to manage the risk from someone making a speculative or opportunistic bid prospective purchasers were asked to confirm they would share any uplift in value if during the next five years the site is sold on.
  - Sales, commercial and planning overage – for bids to redevelop the Property for residential or commercial uses the bidder was asked for their proposal to share additional value if their development should outperform certain key value indicators.
16. The marketing was undertaken on behalf of the council by BNP Paribas who also valued the site.
17. Following the marketing 21 expressions of interest were received from 18 bidders. A full list of these is attached at Appendix Two of the closed version of this report.
18. The six top bidders were invited to the second stage. All of their offers were subject to receipt of planning consent and the council delivering vacant possession of the site. Their offers are summarised in the closed version of this report.
19. The bidders' estimates of their planning gain liability are discussed below in the Key Issues section of the report. However, it must be emphasised there is a risk that as scheme designs are refined through the planning process the value of the planning gain package may change. It is also possible bidders may try to use this process to justify a reduced land price.

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

20. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration requirements.
21. All the three buildings on site are currently occupied by tenants on short term leases and would require to be vacated in order to provide vacant possession as elaborated in the closed version of this report.

#### **Conclusions and Recommendations**

22. All final bids are conditional on the grant of a satisfactory planning consent and provision by the council of vacant possession.
23. All final bidders have provided commitment to S.106 and Community Infrastructure Levy (CIL) obligations as part of their bids as indicated in the closed version of this report.

24. The preferred bidder would have to enter into overage as well as S.106 agreements in respect of their proposed scheme and make contributions based on the standard Southwark tariff in addition to the affordable housing and CIL requirements.
25. The head of property confirms that the offer represents best consideration that can be reasonably obtained from the sale of this site, based on the conditions set out in the closed version of this report.
26. It is also recommended that the head of property be authorised to agree the final terms for any sale provided that they represent the best consideration reasonably obtainable.

### **Financial implications**

27. The proposal should generate a substantial capital receipt in support of the council's office accommodation strategy and also free up the site for the ongoing regeneration of Bermondsey Spa.
28. The purchaser will also contribute towards the council's administrative fees as indicated in the closed version of this report.
29. To provide vacant possession, the council will meet reasonable related costs as referred to in the closed version of this report.
30. The purchase price is net of costs referred to in the closed version of this report.

### **Legal implications**

31. When disposing of assets the council is under a duty not to sell for less than the best consideration that can reasonably be obtained.
32. This recommendation is based on the professional judgment of the head of property.

### **Consultation**

33. The property is included within the Bermondsey Spa Masterplan as mentioned in paragraph 5. In preparing the Masterplan, Glenn Howells Architects worked closely with council officers from property, planning policy, development control, building control, housing, social services, conservation and transport to develop a Masterplan that fully met the objectives and policies of the Southwark Plan and Southwark 2016. In addition it had to be commercially viable and therefore deliverable. The input of stakeholders played a fundamental role in the creation of this Masterplan. Local residents and community organisations also helped shape proposals through specific events.
34. The Bermondsey Spa Masterplan, the Site C Masterplan and the Southwark Plan (Unitary Development Plan) have been subject to extensive public and community consultation. Exhibitions and public meetings have been held and observations received and considered.

### **Community impact statement**

35. Following the successful regeneration of Bermondsey Spa, Site C stands as one of the last phases of council owned sites within the Masterplan that are undergoing transformation for the socio-economic benefit of the area.
36. The tenants in occupation of at the site provide key community services. In order to ensure that there is minimal disruption to their services, the council has advised tenants of its envisaged timescales for the disposal of the properties on site and continues to work with them with a view to identifying alternative accommodation.

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

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

37. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do. However that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 123 of the Local Government Act 1972 is a pre-commencement statute that imposes limitations on the council's power to dispose of non-housing property.
38. Cabinet is advised that as the Property is held in the General Fund the relevant statutory authority for the proposed disposal is Section 123 of the Local Government Act 1972. This provides that except with the consent of the Secretary of State, a council shall not dispose of non housing land, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained. It is noted at paragraph 24 of this report that the head of property considers that the proposed sale represents the best consideration that can reasonably be obtained.
39. Accordingly if the cabinet is satisfied the disposal is for the best consideration reasonably obtainable and represents good value for money it may approve the recommendation for the sale of the property on the terms set out in this report.
40. It is also noted that offer made by the preferred bidder whilst the highest by some considerable margin has some risks as discussed in the closed version of this report. Accordingly there may be some risk in accepting their offer and protection of a time limit for exchange has been put in place to ameliorate this risk as indicated in the closed report. Case law supports the notion that the requirement to obtain the best consideration that can be reasonably obtained is not confined to the highest offer made, but the highest deliverable offer. Accordingly if the cabinet is satisfied that the disposal to the under bidders in the order listed in the report is for the best consideration reasonably obtainable and represents good value for money in the circumstances where the preferred bidder is not able to deliver it may also approve the recommendation for the offers from the under bidders to be accepted in the circumstances envisaged by the report
41. The cabinet is also advised that the council also has wide general powers under Section 2 of the Local Government Act 2000 which allows a local authority to do anything it considers is likely to achieve the promotion or improvement of the economic, social or environmental well being of its area or the residents of that area. This would allow the council to enter into the overage agreement with the



preferred bidder referred to in paragraph 25 of the report

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

42. This report proposes that cabinet approve the disposal of the council's freehold interest in The Grange (Sites C2 and C4) Bermondsey Spa SE1, with the capital receipt supporting the council's accommodation strategy.
43. The strategic director for finance and corporate services understands that the council will endeavour to obtain best market value for these properties. Minimal rental income is currently received for these properties and, due to the short term nature of the leases this has not formed part of the council permanent revenue budget.
44. Reasonable costs associated with the disposal will be met from receipts and officer time to implement this decision will be contained within current resources.

### **Director of Planning**

45. The proposed site layout is acceptable in principle, however there are outstanding concerns regarding the height and massing of the scheme. It is considered that these issues are resolvable by reducing the height, although this would result in the loss of residential units based on the current floor plan. In general, the scheme would need to be reduced in height overcome the current concerns. If the height and massing is adequately amended, based on the current site layout the scheme in principle could be supported.
46. Based on the information provided, the proposed housing mix and tenure would be acceptable in principle, in accordance with planning policy. The internal space standards and private amenity space provision for each residential could not be assessed due to the level of information provided in the bid. The proposal should accord with Southwark's Residential Design Standards SPD 2011. The bid proposes 35% affordable housing on site, which is acceptable in accordance with Strategic Policy 6 of the Southwark Core Strategy. In accordance with policy, the amount of affordable housing should be calculated by habitable room. The bid proposes a tenure split of 70:30 between the social rented: intermediate tenures, which is acceptable in accordance with saved policy 4.4 in the Southwark Plan 2007. The bid confirms the overall housing mix would be policy compliant with 24% of units with 3 bedrooms or more, and 77% of units with 2 bedrooms or more in accordance with Strategic Policy 7 of the Southwark Core Strategy. The bid confirms that 10% of the total units would be wheelchair accessible and each have a dedicated on site wheelchair accessible car parking space. This is acceptable in accordance with saved policy 4.3 of the Southwark Plan 2007, providing the units are designed to the South East London Housing Partnership guidelines.

47. Based on the submitted housing mix, the bid has allocated S.106 contributions as referred to in the closed version of this report, which are likely to be sufficient in accordance with Southwark's S.106 contributions toolkit.
48. The bidder has included a calculation for the proposed Southwark CIL (based on the draft consultation Feb 2013).
49. If the Southwark CIL has been adopted at the point of determining an application and is charged, only site specific S.106 toolkit contributions would be required in addition (e.g. employment during construction (*can be provided in lieu*), transport site specific, public realm, archaeology), which would amount to the approximated costs indicated in the closed version of this report. The allowance made by the bidder is therefore likely to be sufficient based on the current proposed scheme.

## BACKGROUND DOCUMENTS

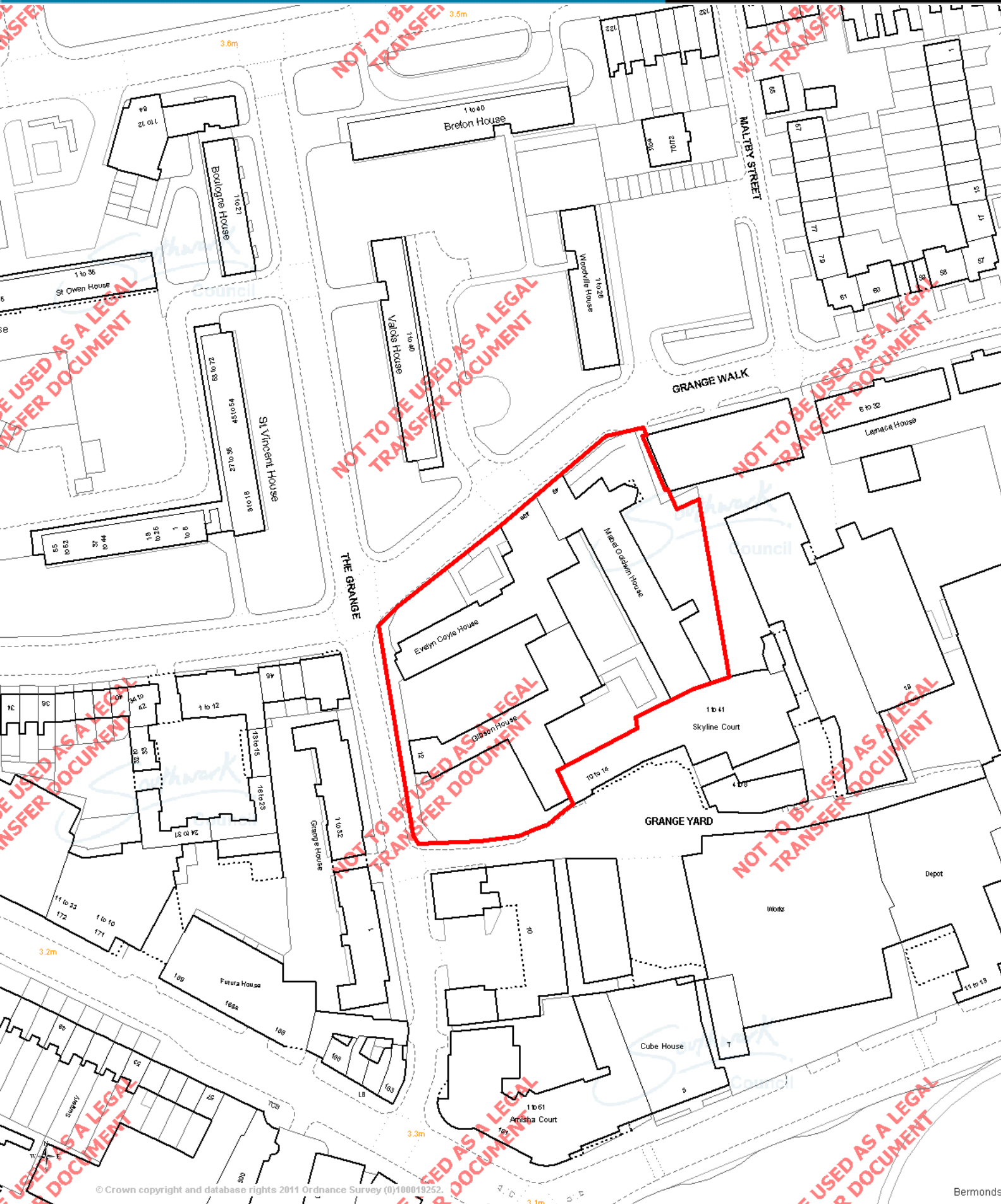
| Background Papers | Held At | Contact |
|-------------------|---------|---------|
| None              |         |         |

## APPENDICES

| No.        | Title                  |
|------------|------------------------|
| Appendix 1 | Site and Location Plan |

## AUDIT TRAIL

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Richard Livingstone, Finance and Resources and Community Safety |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive   |                          |
| <b>Report Author</b>  | Fahad Nakendo, Surveyor- Bermondsey Spa Regeneration                       |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 13 June 2013   |                          |
| <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                      |
| Director of Planning  | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 13 June 2013   |                          |



|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>21.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013           | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Appointments to Outside Bodies 2013/14 |                                 |
| <b>Ward(s) or groups affected:</b> |                                | N/a                                    |                                 |
| <b>From:</b>                       |                                | Proper Constitutional Officer          |                                 |

## RECOMMENDATION

1. That the cabinet consider and agree appointments to the outside bodies listed in Appendix A of the report for the 2013/14 municipal year.

## BACKGROUND INFORMATION

2. Each year the council makes appointments / nominates individuals to outside bodies.

## KEY ISSUES FOR CONSIDERATION

### Appointments to outside bodies

3. It is for the cabinet to make appointments to outside bodies in connection with the functions which are the responsibility of the cabinet (e.g. housing, education, social services, regeneration etc).
4. Attached as Appendix A is a list of the outside bodies the cabinet are being recommended to consider appointing to for the 2013/14 municipal year.

### Legal implications

5. Appointments to some of the outside bodies may carry risk both corporately and to the individuals appointed. Standards Committee at its meeting on 9 November 2011 approved 'Guidance to Members who serve on Outside Bodies' which is intended to help councillors understand their duties when appointed to outside bodies, and how to handle conflicts of interest that may arise. The guidance will be reissued to councillors following this appointments process.

### Community impact statement

6. The council is being invited to make nominations to various outside bodies. The nominations process has no direct impact on the community.

### Consultation

7. The political group whips have been consulted on the issues contained in the report and have been invited to submit nominations.

**BACKGROUND DOCUMENTS**

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

**APPENDICES**

| <b>No.</b> | <b>Title</b>           |
|------------|------------------------|
| Appendix A | List of outside bodies |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Lead Officer</b>   | Alexa Coates, Principal Constitutional Officer |                          |
| <b>Report Author</b>  | Everton Roberts, Constitutional Officer        |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 13 June 2013                                   |                          |
| <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   | No                       |
| Strategic Director of Finance and Corporate Services                    | No   | No                       |
| <b>Date final report sent to Constitutional Team</b>                    |  | 13 June 2013             |

## APPENDIX A

## APPOINTMENTS TO OUTSIDE BODIES 2013/14

| Name  | Purpose   | No. of places | Notes  |
|---|---|---------------|--|
| <b>Age UK London</b>                            | To promote the welfare of the aged in any manner that may be deemed by law to be charitable within Greater London.  | 1             | <b>(Health and adult social care function)</b>                           |
| <b>Better Bankside Board</b>                    | To improve the quality of the Bankside environment, further develop the potential draw of the area, increase the sense of security and ensure that better and sustainable maintenance and management arrangements are put in place. | 1             | <b>(Regeneration function)</b><br><br>Councillor or officer.             |
| <b>Canada Water Consultative Forum</b>          | The forum is responsible for advising on the overall direction of development proposals and ensuring public awareness and involvement in the development proposals.   | 4             | <b>(Regeneration function)</b>   |
| <b>Central London Forward</b>                   | To provide a cross-sector 'voice for central London'. It operates at a strategic level, seeking to influence policy makers on matters of mutual interest to the communities and businesses of central London.                       | 1             | <b>(Regeneration function)</b><br><br>Must be the Leader of the Council. |
| <b>Centre for Literacy in Primary Education</b> | Professional development and family learning centre. Provides a range of education support, advisory and direct delivery services to schools and families throughout Southwark.   | 1             | <b>(Education function)</b>  |

| Name   | Purpose   | No. of places | Notes  |
|--|---|---------------|--|
| <b>Creation Trust</b>                                | <p>The Creation Trusts key aims are;</p> <p>Engaging the community within the regeneration programme.</p> <p>Tackling issues around skills and training, young people and health and wellbeing.</p>   | 3             | <b>(Regeneration function)</b>   |
| <b>Cross River Board</b>                             | To deliver cross-borough regeneration initiatives north and south of the River Thames in the London Boroughs of Southwark and Lambeth, the Corporation of London and the City of Westminster.   | 1             | <b>(Regeneration function)</b><br><br>Usually the leader or cabinet member for regeneration. |
| <b>Crystal Palace Community Development Trust</b>    | Trust set up to oversee the development of the Crystal Palace area.   | 1             | <b>(Regeneration function)</b>   |
| <b>Cycling England (Member Champion for Cycling)</b> | To support and encourage the council in its work to ensure that the promotion and encouragement of cycling as a means of transport as well as for leisure, plays a central role in the development and implementation of the council's policies and strategies. | 1             | <b>(Transport function)</b><br><br>The member champion should be a regular cyclist.          |
| <b>Greater London Enterprise Limited</b>             | To assist, promote, encourage and secure the physical and economic development and regeneration of the whole or any part of Greater London.   | 1             | <b>(Regeneration function)</b><br><br>Does not have to be a councillor.                      |
| <b>Green Chain Joint Committee</b>                   | To jointly administer the South East London Green Chain, which consists of over 300 open spaces across five boroughs.   | 2             | <b>(Leisure function)</b>  |

| Name  | Purpose   | No. of places | Notes   |
|---|---|---------------|---|
| <b>Groundwork Borough Steering Group</b>                        | To oversee Groundwork's activities in Southwark.  | 4             | <b>(Environment function)</b><br><br>A representative from each political group to be nominated; reports to the sub-regional committee. |
| <b>Groundwork South London Sub-Regional Committee</b>           | To collectively oversee Groundwork's activities across South London.  | 1             | <b>(Environment function)</b><br><br>One representative from amongst those appointed to the borough steering group to be nominated.     |
| <b>Guys and St Thomas NHS Foundation (Council of Governors)</b> | <p>To advise the trust on how it carries out its work so that it is consistent with the needs of the members and wider community.</p> <p>The governors:</p> <ul style="list-style-type: none"> <li>• help the trust to carry out its duties in ways that meet with NHS values and the terms agreed with Monitor, the independent regulator for NHS Foundation Trusts</li> <li>• advise the trust on its longer term strategy</li> <li>• provide advice and support to the Board of Directors, who are responsible for the overall management of the trust.</li> </ul> | 1             | <b>(Health function)</b>  |
| <b>Kings College Hospital NHS (Council of Governors)</b>        | Their vision is to become a fundamentally new kind of hospital built around patient need, offering patients the highest quality of care, and to deliver this as part of a joined-up and well-managed healthcare system, built in partnership with GPs and other healthcare providers.   | 1             | <b>(Health function)</b>  |



| Name   | Purpose  | No. of places | Notes  |
|--|--|---------------|--|
| <b>Lambeth and Southwark Housing Association Limited</b>   | To provide affordable rented housing for local people on low incomes.  | 1             | <b>(Housing function)</b>  |
| <b>Local Government Association (LGA) Urban Commission</b> | <p>To provide a forum in which urban authorities can discuss matters of common concern and exchange good practice and experience.</p> <p>To assist the LGA take into account the needs, priorities and aspirations of urban authorities in formulating and promoting its policies.</p> <p>To help the LGA to promote the role and interests of urban authorities and the ability of those authorities to meet the needs of the communities they serve.</p> | 2             | <b>(Regeneration function)</b><br><br>The council is entitled to five votes and may allocate them amongst councillor representatives as it sees fit. One representative may be an officer, however only councillor representatives may vote. |
| <b>London Road Safety Council (LRSC)</b>                   | To reduce the number of road accident casualties within Greater London and provide a means of communication relating to road accident prevention between London local authorities, central government and other organisations.   | 2             | <b>(Community safety function)</b><br><br>Up to two elected members and an officer from road safety education.   |
| <b>London Youth Games Limited</b>                          | The London Youth Games Limited organise the annual London Youth Games on behalf of the London boroughs. It is a non-profit making company owned and guaranteed by the London boroughs and the City of London Corporation.  | 1             | <b>(Leisure function)</b><br><br>One representative and one deputy.  |

| Name  | Purpose   | No. of places | Notes  |
|---|---|---------------|--|
| <b>North Southwark Environment Trust</b>                        | <p>The preservation and conservation of the environment for the benefit of the public, including the promotion of energy efficiency and efficient methods of disposing of waste.</p> <p>The provision of facilities for education, recreation or other leisure time occupation, in the interests of improving the conditions of life of the inhabitants covered by the area of benefit.</p> | 1             | <p><b>(Environment function)</b></p> <p>Does not have to be a councillor.</p> <p>The area of benefit covered by the trust is north of the roads known as Camberwell New Road, Camberwell Church Street, Peckham Road, Peckham High Street and Queens Road.</p> |
| <b>Potters Fields Park Management Trust</b>                     | Potters Fields Park Management Trust leases the park for events, functions and other activities in order to provide funds for maintenance, and to develop programmes which educate and engage with the community.   | 2             | <p><b>(Leisure function)</b></p> <p>Does not have to be a councillor.</p>  |
| <b>South Bank Partnership</b>                                   | Engagement with South Bank employers groups, local MPs and community organisations in North Lambeth and Southwark (Bankside).   | 4             | <p><b>(Regeneration function)</b></p> <p>One representative and local ward councillors.</p>  |
| <b>South Bank and Bankside Cultural Quarter Directors Board</b> | To work with the community to celebrate the richness and diversity of cultural activity in the quarter and across London and engage with local communities.   | 1             | <p><b>(Community engagement function)</b></p>  |

|  |   |   |  |
|--|---|---|--|
| <b>South Bermondsey Big Local Partnership Steering Group</b>             | The Partnership informs and guides the development and delivery of the BIG Local programme for South Bermondsey and Livesey wards.  | 2 | <b>(Community engagement function)</b><br><br>Currently one Livesey and one South Bermondsey ward councillor.    |
| <b>South London Gallery Trustee Limited</b>                              | To act as trustees and director of South London Gallery Trustee Ltd (the sole trustee of the South London Fine Art Gallery and Library Trust), which operates the South London Gallery as a public contemporary art gallery. Southwark Council is a major funder of the gallery but trustees must act solely in the best interests of the charity and are responsible for controlling the management and administration of the charity in line with the governing document. | 3 | <b>(Leisure function)</b><br><br>The membership is allocated by local agreement – one from each political group. |
| <b>South London and Maudsley (SLaM) NHS Trust Members Council</b>        | To support the board of directors in setting the longer-term vision for the trust and to influence proposals to make changes to services and to act in a way that is consistent with NHS principles and values and the terms of the trust's authorisation.  | 1 | <b>(Health function)</b>   |
| <b>Southwark and Lambeth Archaeological Excavation committee (SLAEC)</b> | The SLAEC is an advisory body established to promote archaeological work in Southwark and to advance the knowledge of the history of Southwark and Lambeth by archaeological investigation.   | 1 | <b>(Leisure function)</b><br><br>One representative and one deputy.  |

|   |  |    |  |
|---|--|----|--|
| <b>Southwark Cathedral Education Centre</b>   | The Education Centre exists to help teachers cover the curriculum for primary and secondary education in imaginative ways, while playing its part in the Cathedral's outreach and mission and presenting the Cathedral as a place of worship.      | 1  | <b>(Education function)</b>  |
| <b>Southwark Community Leisure Ltd. (Fusion) Management Board</b>                     | Responsible for the management of the strategic development of health, fitness and leisure services within the borough in partnership with Southwark Council.  | 3  | <b>(Leisure function)</b><br><br>One representative from each political group. Does not have to be a councillor. |
| <b>Southwark Police and Community Consultative Group</b>                              | To provide for consultation, discussion and consideration with local community representatives, the police and the local authority on any matter directly or indirectly concerned with any aspect of the policing within the borough of Southwark. | 10 | <b>(Community safety function)</b>   |
| <b>Waterloo Quarter Business Alliance – Southwark (Business Improvement District)</b> | To create a safer and more pleasant trading environment for businesses and to promote the area to bring in more visitors, whilst maintaining its individuality and unique character.   | 1  | <b>(Regeneration function)</b><br><br>Usually a ward councillor.   |

|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>22.             | <b>Classification:</b><br>Open | <b>Date:</b><br>26 June 2013                        | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Nominations to Panels, Boards and Forums<br>2013/14 |                                 |
| <b>Ward(s) or groups affected:</b> |                                | N/a   |                                 |
| <b>From:</b>                       |                                | Proper Constitutional Officer                       |                                 |

## RECOMMENDATIONS

1. That the cabinet agrees the allocation of places to the panels and boards and forums set out in Appendix A of the report for the 2013/14 municipal year and nominates members accordingly.
2. That the cabinet considers whether to appoint a chair and vice-chair to the following body from amongst those individuals appointed to serve:
  - Standing Advisory Council on Religious Education

## BACKGROUND INFORMATION

3. It is for the cabinet to agree the allocation of places to panels, boards and forums in connection with the functions that are the responsibility of the cabinet (i.e. housing, education, social serves, regeneration etc).

## KEY ISSUES FOR CONSIDERATION

### Proportionality

4. Appendix A sets out the detail of those, panels, boards and forums for which nominations are required for the 2013/14 municipal year. There is no requirement that appointments to panels, boards and forums are proportionate and in the past, where the allocation of seats has been proportionate, this has been done by local agreement.
5. There is no requirement that a seat allocated to a particular group can only be filled by a member of that group. Therefore groups have the discretion to allocate seats as they wish, including to a member of another group or an individual councillor.

### Appointment of chairs and vice-chairs

6. In recommendation two, members are asked to consider whether the appointment of the chair and vice-chair of the Standing Advisory Council on Religious Education (SACRE) should be agreed by the cabinet or at the first meeting of the body. If Members are minded to agree the chair and vice-chair at this meeting then names should be given at the time:
  - Standing Advisory Council on Religious Education

7. Currently SACRE appoint the chair and vice-chair in September of each year.

#### **Establishment of new bodies**

8. Members may wish to establish new bodies or recommend that officers look into changing the status of existing bodies. In relation to the creation of new bodies, Members will need to:
- (i) agree new terms of reference
  - (ii) agree the membership and allocation of places
  - (iii) consider whether to appoint the chair and vice-chair

#### **Community impact statement**

9. There are no specific community impact issues arising from the recommendations.

#### **BACKGROUND DOCUMENTS**

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

#### **APPENDICES**

| <b>No.</b> | <b>Title</b>                      |
|------------|-----------------------------------|
| Appendix A | List of Panels, Boards and Forums |

#### **AUDIT TRAIL**

|  |  |                          |
|--|--|--------------------------|
| <b>Lead Officer</b>                                    | Alexa Coates, Principal Constitutional Officer |                          |
| <b>Report Author</b>                                   | Everton Roberts, Constitutional Officer        |                          |
| <b>Version</b>   | Final  |                          |
| <b>Dated</b>   | 13 June 2013                                   |                          |
| <b>Key Decision?</b>                                   | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES</b> |  |                          |
| <b>Officer Title</b>                                   | <b>Comments Sought</b>                         | <b>Comments Included</b> |
| Director of Legal Services                             | No   | No                       |
| Strategic Director of Finance and Corporate Services   | No   | No                       |
| <b>Date final report sent to Constitutional Team</b>   |  | 13 June 2013             |

NOMINATIONS TO PANELS, BOARDS AND FORUMS 2013/14

FOSTERING PANEL

| Summary of Functions  | Status    | Membership  | Politically Proportionate |
|---|-----------|---|---------------------------|
| To make recommendations to the fostering service about the approval of prospective foster carers, the re-approval of foster carers at the time of their first annual review, to hear appeals by foster carers who are not in agreement that their approval is terminated and to give advice to the fostering service, when requested. The panel will also give and receive feed back to/from the fostering service to ensure that standards are maintained. | Statutory | 1 Councillor<br>5 Officers<br>4 Independent Members | N/a                       |

| Allocation 2012/13                                       | Proposed Allocation 2013/14 | Council Appointment | Comments |
|--|-----------------------------|---------------------|----------|
| Labour – 1<br>Liberal Democrats – 0<br>Conservatives – 0 | 1 Councillor                | 1 Councillor        | None     |

**JOINT PARTNERSHIP PANEL (TRADE-UNION CONSULTATION)**

| <b>Summary of Functions</b>   | <b>Status</b> | <b>Membership</b>  | <b>Politically Proportionate</b> |
|---|---------------|--|----------------------------------|
| To provide a member-level trade union consultation forum for dialogue on corporate policy issues and corporate proposals affecting the workforce. | Non statutory | 2 Councillors, Head of Human Resources.<br>Plus accredited Branch Secretaries of Unison, GMB, UCATT & Unite. | N/a                              |

| <b>Allocation 2012/13</b>   | <b>Proposed Allocation 2013/14</b> | <b>Council Appointment</b> | <b>Comments</b> |
|---|------------------------------------|----------------------------|-----------------|
| 2 representatives from the cabinet. In 2012/13 the cabinet members were the leader of the council and cabinet member responsible for human resources. | 2 representatives from the cabinet | 2 Councillors              | None            |



### LEASEHOLDERS ARBITRATION PANEL

| Summary of Functions   | Status        | Membership | Politically Proportionate |
|--|---------------|------------|---------------------------|
| To resolve disputes between Southwark Right to Buy applicants, Southwark Council leaseholders and Residential Freeholders who pay a service charge to Southwark Council. | Non statutory | Unlimited  | N/a                       |

| Allocation 2012/13  | Proposed Allocation 2013/14 | Council Appointment                                     | Comments   |
|---|-----------------------------|---|--|
| Labour - 9<br>Liberal Democrats – 7<br>Conservatives – 1<br>to act as pool. | Unlimited                   | Minimum of 17<br>Councillors as allocated<br>in 2012/13 | Cabinet members are not able to be members of the panel. |

### SECURE ACCOMMODATION PANEL

| Summary of Functions  | Status    | Membership                               | Politically Proportionate |
|---|-----------|--|---------------------------|
| To review the cases of children admitted to secure accommodation. | Statutory | 2 Councillors<br>Plus Independent Person | N/a                       |

| Allocation 2012/13<br><i>(No. of Reserves in brackets)</i>             | Proposed Allocation 2013/14<br><i>(No. of Reserves in brackets)</i> | Council Appointment | Comments  |
|--|---|---------------------|---|
| Labour – 1 (1)<br>Liberal Democrats – 1 (1)<br>Conservatives – 0 (n/a) | No change   | 2 Councillors       | Officers suggest the councillors be members of the corporate parenting committee.<br><br>Secure Accommodation Panel meetings are infrequent and may involve significant travel. |

## SOUTHWARK SAFEGUARDING CHILDREN'S BOARD

| Summary of Functions   | Status     | Membership   | Politically Proportionate |
|--|------------|--|---------------------------|
| <p>To promote and safeguard the welfare of children.</p> <p>To engage in activities that safeguard all children and aim to identify and prevent maltreatment or impairment of health or development.</p> <p>To ensure that children are growing up in circumstances consistent with safe and effective care.</p> <p>To lead and co-ordinate proactive work that aims to target particular groups and to arrange for responsive work to protect children who are suffering, or likely to suffer significant harm.</p> | Statutory. | Senior managers from different services and agencies including independent and voluntary sector. | N/a                       |

| Allocation 2012/13                     | Proposed Allocation 2013/14            | Council Appointment | Comments   |
|--|--|---------------------|--|
| Cabinet Member for Children's Services | Cabinet Member for Children's Services | 1                   | Cabinet member for Children's Services to be participant observer. |

**STANDING ADVISORY COUNCIL ON RELIGIOUS EDUCATION**

| <b>Summary of Functions</b>  | <b>Status</b> | <b>Membership</b>   | <b>Politically Proportionate</b> |
|--|---------------|---|----------------------------------|
| To review the existing provision of Religious Education and consider whether any changes need to be made in the agreed syllabus or in support offered to schools. To monitor the provision of the daily collective worship and to consider any action to improve such provision. | Statutory     | 4 Councillors<br>Plus representatives of local faith groups and Teachers Associations | N/a                              |

| <b>Allocation 2012/13</b>                                | <b>Proposed Allocation 2013/14</b> | <b>Council Appointment</b> | <b>Comments</b> |
|--|------------------------------------|----------------------------|-----------------|
| Labour – 2<br>Liberal Democrats – 2<br>Conservatives – 0 | No change                          | 4 Councillors              |                 |

### TENANCY AGREEMENT ARBITRATION PANEL

| Summary of Functions   | Status        | Membership | Politically Proportionate |
|--|---------------|------------|---------------------------|
| To resolve certain disputes between secure tenants and the council (landlord) arising from a breach within the terms of the Tenancy Agreement. | Non statutory | Unlimited  | N/a                       |

| Allocation 2012/13  | Proposed Allocation 2013/14 | Council Appointment                                     | Comments   |
|---|-----------------------------|---|--|
| Labour – 9<br>Liberal Democrats – 7<br>Conservatives – 1<br>to act as pool. | Unlimited                   | Minimum of 17<br>Councillors as allocated<br>in 2012/13 | Cabinet members are not able to be members of the panel. |

### TENANT MANAGEMENT ORGANISATION LIAISON COMMITTEE

| Summary of Functions  | Status    | Membership  | Politically Proportionate |
|---|-----------|---|---------------------------|
| To discuss with representatives of TMO's issues of mutual interest. | Statutory | 4 Councillors<br>TMO Representatives<br>Cabinet Member for Housing Management | N/a                       |

| Allocation 2012/13                                       | Proposed Allocation 2013/14                            | Council Appointment  | Comments |
|--|--|--|----------|
| Labour – 2<br>Liberal Democrats – 2<br>Conservatives – 0 | Labour – 2<br>Liberal Democrat – 2<br>Conservative – 0 | 4 Councillors and<br>Cabinet Member with<br>responsibility for Housing |          |

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**CABINET AGENDA DISTRIBUTION LIST (OPEN)****MUNICIPAL YEAR 2013/14**

**NOTE:** Original held by Constitutional Team; all amendments/queries to  
Paula Thornton/Everton Roberts Tel: 020 7525 4395/7221

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| <b>Cabinet Members</b>                  |              | <b>Corporate Management Team</b>       |              |
| Peter John                              | 1            | Eleanor Kelly                          | 1            |
| Ian Wingfield                           | 1            | Romi Bowen                             | 1            |
| Fiona Colley                            | 1            | Deborah Collins                        | 1            |
| Dora Dixon-Fyle                         | 1            | Gerri Scott                            | 1            |
| Barrie Hargrove                         | 1            | Duncan Whitfield                       | 1            |
| Richard Livingstone                     | 1            |  |              |
| Victoria Mills                          | 1            | <b>Officers</b>                        |              |
| Catherine McDonald                      | 1            | Doreen Forrester-Brown                 | 1            |
| Veronica Ward                           | 1            | Jennifer Seeley                        | 1            |
| <b>Other Councillors</b>                |              | <b>Trade Unions</b>                    |              |
| Catherine Bowman                        | 1            | Roy Fielding, GMB                      | 1            |
| Toby Eckersley                          | 1            | Henry Mott, Unite                      | 1            |
| Neil Coyle                              | 1            | Chris Cooper, Unison                   | 1            |
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| Lorraine Lauder                         | 1            | Irene Bishop, ASCL                     | 1            |
| Rebecca Lury                            | 1            |  |              |
| Paul Noblet                             | 1            | <b>Others</b>                          |              |
| The Right Revd Emmanuel Oyewole         | 1            | Robin Campbell, Press Office           | 1            |
| Geoffrey Thornton                       | 1            | Paula Thornton, Constitutional Officer | 20           |
| Andy Simmons                            | 1            |  |              |
| Tim McNally                             | 1            |  |              |
| Anood Al-Samerai                        | 1            |  |              |
| <b>Group Offices</b>                    |              | <b>Total:</b>                          | 66           |
| Chris Page, Cabinet Office              | 1            | <b>Dated:</b> 5 June 2013 (pt)         |              |
| Laura Kavanagh, Opposition Group Office | 1            |  |              |
| <b>Press</b>                            |              |  |              |
| Southwark News                          | 1            |  |              |
| South London Press                      | 1            |  |              |
| <b>Members of Parliament</b>            |              |  |              |
| Harriet Harman, MP                      | 1            |  |              |
| Tessa Jowell, MP                        | 1            |  |              |
| Simon Hughes, MP                        | 1            |  |              |