

## Cabinet

Tuesday 19 November 2013

2.00 pm

Ground Floor Meeting Room GO2A, 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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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: 11 November 2013



# Cabinet

Tuesday 19 November 2013

2.00 pm

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

## Order of Business

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### **PART A - OPEN BUSINESS**

#### **MOBILE PHONES**

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

#### **1. APOLOGIES**

To receive any apologies for absence.

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

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

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

No closed items are scheduled for consideration at this meeting.

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

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

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

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

Item No.	Title	Page No.
6.	<b>MINUTES</b>	1 - 11
	To approve as a correct record the minutes of the open section of the meeting held on 22 October 2013.	
7.	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests.	
8.	<b>PETITION - OLD ROTHERHITHE LIBRARY AND CIVIC CENTRE</b>	12 - 14
	To consider a petition in respect of the Old Rotherhithe Library and Civic Centre.	
9.	<b>RESPONDING TO DEPUTATION BY OSWIN STREET RESIDENTS</b>	15 - 31
	To note the report and the option appraisal undertaken in relation to the construction vehicle route prior to formal approval by planning and highway authorities. To endorse the residents' request that no construction vehicles travelling to or from the former London Park Hotel construction site travel along Oswin Street and request further monitoring and enforcement of any breaches of the approved construction management plan by either Balfour Beatty or Lend Lease.	
10.	<b>HARMSWORTH QUAYS COOPERATION AGREEMENT</b>	32 - 40
	To approve that the director of regeneration and director of legal services be instructed to complete the Harmsworth Quays Cooperation Agreement.	
11.	<b>REVENUE MONITORING REPORT QUARTER 2, 2013/14, INCLUDING TREASURY MANAGEMENT</b>	41 - 59
	To note the general fund outturn forecast for 2013/14 and forecast net movement in reserves by department, the housing revenue account's forecast outturn for 2013/14 and resulting forecast movement in reserves and the treasury management activity for the first quarter of 2013/14.	
	To note the forecast performance for the collection of council tax and the collection of business rates.	
	To agree the general fund budget movements that exceed £250,000.	

Item No.	Title	Page No.
12.	<b>QUARTERLY CAPITAL MONITORING REPORT QUARTER 2 AND CAPITAL PROGRAMME REFRESH 2013-21</b>	60 - 88
	To note the general fund capital programme for the period 2013/14 to 2021/22, the housing investment programme for 2013/14 and future years as at quarter 2.	
	To approve the variations and variations to the general fund and housing investment capital programme and the re-profiling of the expenditure and resources for 2013/14 and future years for both the general fund and housing investment programmes.	
13.	<b>MOTIONS REFERRED FROM COUNCIL ASSEMBLY</b>	89 - 104
	To consider motions referred from council assembly 16 October 2013:	
	<ul style="list-style-type: none"> <li>• Making Southwark a Carbon Neutral Council</li> <li>• Green Southwark</li> <li>• Save our Local Pubs</li> <li>• Support for Free Healthy School Meals</li> <li>• Green Flags</li> <li>• Damp in Peter Butler House</li> <li>• Clean up Tower Bridge Road</li> <li>• Making Cathedrals Ward Safer for Residents and Cyclists</li> </ul>	
14.	<b>PARTNERSHIP AGREEMENT VIA SECTION 75 WITH SOUTHWARK COUNCIL AND SOUTHWARK CLINICAL COMMISSIONING GROUP</b>	105 - 115
	To note the partnership approach to commissioning proposed between the council and the local commissioning group and to approve the proposed agreement under Section 75 of the National Health Services Act 2006.	
15.	<b>ETHICAL CARE CHARTER TASK AND FINISH GROUP - PROGRESS AND FEASIBILITY REPORT ON THE WORK OF THE TASK AND FINISH GROUP</b>	116 - 133
	To note the principles of the charter and agree to sign up to the charter and to confirm the council's intention to work towards its implementation.	
	<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	

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information.

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

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

**PART B - CLOSED BUSINESS**

**16. MINUTES**

To approve as a correct record the minutes of the closed section of the meeting held on 22 October 2013.

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

Date: 11 November 2013



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 22 October 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 Richard Livingstone  
Councillor Catherine McDonald  
Councillor Victoria Mills  
Councillor Veronica Ward

### 1. APOLOGIES

Apologies for absence were received from Councillor Barrie Hargrove.

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

The chair gave notice that the following late 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 (15 MINUTES)

The following question was submitted by Mr Jerry Hewitt to the deputy leader and cabinet member for housing management. Mr Hewitt did not attend the meeting to ask the question. The question was read out by the deputy leader and answer given as set out below:

Question to Councillor Ian Wingfield from Jerry Hewitt:

“Southwark Council monitors and attends annual general meetings of recognised tenants and residents associations. For the period 1 April 2012 to 31 March 2013 what was the total attendance for all recognised Tenants and Residents Associations (TRA) annual general meetings (AGMs) tallied-up and is not it entirely fake to have ‘members’ who do not know they are members?”

Response by Deputy Leader and Cabinet Member for Housing Management:

“We do not have figures available for all Tenants and Residents Associations (TRA) annual general meetings (AGMs) during that period as in many cases attendance is not counted beyond ensuring that a meeting is quorate. Of the 68 meetings in the period that we have data for these show a total attendance of 1339 people. This averages approximately 20 residents per meeting.”

## 6. MINUTES

### RESOLVED:

That the open minutes of the meeting held on 17 September 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 requests be heard.

Summary of the deputations heard:

### **Oswin Street Residents Association**

The deputation spokesperson addressed the meeting and highlighted the impact the construction route and works was having on the residents of Oswin Street and went on to request a number of measures to be put in place to reduce the impact of the construction works including the consideration of an alternative construction route.

It was agreed that the cabinet member for regeneration and corporate strategy respond to the concerns and requests raised by the deputation and a meeting arranged with the deputation representatives if necessary. It was also agreed that report on the issues raised by the deputation be submitted to the next cabinet meeting.

#### **Canada Estate Tenants and Residents Association**

The deputation spokesperson addressed the meeting on the proposals to build on the Canada Estate contained in the Direct Housing Delivery Phase 2 report, item 15 on the agenda. The deputation made a number of requests in relation to inter estate movement and for the need for more one bedroom properties and purpose built properties suitable for the elderly and disabled people, and the desire for sustainable development.

#### **Rotherhithe Area Housing Forum**

The deputation spokesperson addressed the meeting on the use of the former Albion Street library building contained in the Direct Housing Delivery Phase 2 report item 15 on the agenda. The deputation spokesperson stressed that the site land needed to be used for social housing.

#### **Representatives of Local Businesses in Blenheim Grove**

The deputation addressed the meeting on issues contained in the Gateway to Peckham report item 17 on the agenda and put questions to the cabinet in respect of issues relating to the proposed Gateway to Peckham project and the impact on businesses in the immediate area.

#### **Homeowners' Council representatives**

The cabinet received a deputation from representatives of the Homeowners' Council in respect of the Homeowner improvement plan, item 13 on the agenda and homeowner related issues.

### **8. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL REABLEMENT HOME CARE SERVICES**

#### **RESOLVED:**

1. That the procurement strategy outlined in the report, to undertake a competitive tender to establish 2 reablement contracts (with a north/south split) which will be for a term of 3 years from 1 May 2015, with provision to extend the contracts for a further 3 years by one year extensions be approved.
2. That the it be noted that the projected maximum estimated annual contract value for each of the 2 demand-led contracts is £1m, and therefore the estimated total contract value (for both contracts) for the initial 3 year term is £6m, and £12m if all extension options are exercised.



3. That it be agreed that the procurement will be open to London Borough of Lambeth as detailed in paragraph 37 of the report, and it be noted that the estimated contract values relate to Southwark only.

**9. LOCAL WELFARE PROVISION - SOUTHWARK EMERGENCY SUPPORT SCHEME, REVIEW OCTOBER 2013**

**RESOLVED:**

1. That the findings of the review of Southwark's Emergency Support scheme be noted and it be agreed that the existing provision be retained for the period up until 31 March 2014.
2. That the existing model of support be continued by developing the ongoing relationship with Community Action Southwark and a further review be undertaken in April 2014 in the order to assess future funding requirements with a report to be delivered to cabinet by June 2014.
3. That officers continue to keep under review referrals to the scheme made by the Department for Work and Pensions (DWP) arising from changes in policy and the subsequent impact on the council's budget.
4. That the strategic director of finance and corporate services set aside any unspent balances from this years scheme for welfare and hardship needs and reports these to cabinet in future monitoring reports.

**10. POLICY AND RESOURCES STRATEGY 2014/15 TO 2016/17: SCENE SETTING REPORT AND REVENUE BUDGET OPTIONS, INCLUDING BUDGET CONSULTATION OUTCOME**

**RESOLVED:**

1. That the impact on 2014/15 resources identified by the government's consultation documents, and subsequent £2.5m increase in the budget gap for 2014/15 from £23m as notified 26 June 2013 cabinet to £25.4m be noted.
2. That the provisional funding gap for 2015/16, subject to the funding settlement, of £40m be noted.
3. That the available feedback from on-line consultation and community conversation events held at venues across the borough during summer and early autumn be noted.
4. That officers explore options to address the 2014/15 budget gap including scope for additional business rates growth, improved council tax collection and recovery, use of unapplied New Homes Bonus, increased use of future NHB to support revenue, further strategic financing opportunities from the acquisition of Tooley Street, refinancing of PFI schemes, reduction in contingency and contributions to balances, and confirming further possible government funding such as free school meals.

5. That officers continue to work on budget options for a balanced budget in 2014/15 for presentation to the cabinet in the autumn of 2013.

## **11. WORKFORCE REPORT AND WORKFORCE STRATEGY**

### **RESOLVED:**

1. That the information contained in the workforce report for 2012/13 be noted and the action contained be endorsed.
2. That workforce strategy be agreed as the medium term aims for the council's management of its staff.

## **12. INCREASING TENANT AND HOMEOWNER PARTICIPATION IN THE DELIVERY OF COUNCIL HOUSING SERVICES**

### **RESOLVED:**

1. That officers be tasked with exploring the options for increasing tenant and homeowner management of and involvement in council housing services as set out in paragraphs 26 – 35 of the report in consultation with residents.
2. That work be undertaken to identify suitable estates, subject to the provisions of paragraph 53 (a-b) of the report, which can be transferred to the management of existing tenant management organisations (TMOs) should the residents so wish. Any proposal in this area would utilise the voluntary development process already established.
3. That where the number of properties wishing to join an existing TMO exceeds the percentage proposed in paragraph 53 (a-b) of the report, that the tenant management initiatives (TMI) team in the specialist housing services division develop a shortened process, under the provisions of the Right to Manage regulations 2012 (paragraph 20 of the report refers).
4. That the strategic director of housing and community services ensures that there is a clear route of progression for any residents group which wishes to provide one or more element of a landlord service themselves.
5. That officers undertake promotional work on tenant management across the borough, specifically targeting areas not yet represented in existing consultation and participation forums.
6. That work be undertaken to identify and map individual street properties located in the vicinity of existing TMOs and to seek agreement with residents for future management functions to be carried out by an identified TMO (paragraph 63 of the report refers).

7. That officers promote the take up of the 'Community Cashback' scheme with residents groups in the borough and utilise available funding from central government to devolve limited housing functions to local residents groups (paragraph 64 of the report refers).
8. That officers undertake a continued project that seeks to identify where it is appropriate for new homes, developed under the initiative to build 10,000 new council homes, to be either under the management of existing TMOs or to create new TMOs from the outset as the new homes are let (as set out in paragraph 66 of the report).
9. That the proposed approach to increase resident involvement, both in the short and long terms, as set out in paragraphs 36 – 51 of the report be noted, and officers work up options for further consideration by the cabinet.

### **13. HOMEOWNER IMPROVEMENT PLAN**

#### **RESOLVED:**

1. That the proposed homeowner improvement plan be agreed.
2. That the introduction by the maintenance and compliance division of technical officers, in line with the extra resources agreed in a previous decision of 14 May 2013 be noted. That it also be noted that the roles will involve pre and post inspection of communal repairs and the 'real time' monitoring of accounts.
3. That the contract variation to the existing Southwark Citizens Advice Bureaux (CAB)-run service for leaseholders to include an additional £22,000, over and above the existing budget of £26,504, enabling the provision of one full-time worker to extend the service to all areas of the borough be noted.
4. That the proposal to deliver a "homeowner information centre", in order to create greater support to the homeowners' council and the Leaseholders Association of Southwark 2000 (LAS2000) in responding to homeowners' needs be agreed.
5. That it be noted that the service for the information centre would be effected by the creation of a service delivery contract between LAS2000 and Leathermarket JMB, in line with the business plan prepared by an external consultant, and would be funded from the existing homeowner involvement budget (the homeowners' fund). That it also be noted that the one full-time and one part-time posts created under the proposal will replace the existing two involvement officer posts currently vacant, funded from the same source.
6. That authority be delegated to the head of specialist housing services, as budget holder for the homeowners' fund, to negotiate the information centre budget.
7. That the delivery in July 2013 of a system to enable the online viewing of service charge accounts, including invoice breakdowns, by customers, and the expected delivery by April 2014 of online access to unitemised repairs details, subject to corporate decisions on the development of online services be noted.

8. That the proposal to update the homeowners guide in line with current policy, primary and secondary legislation, and case law be noted. That it also be noted that it is proposed to appoint an external consultant to lead the process, with the appointment subject to a separate gateway report.
9. That the formation of a working group to review the current debt recovery process to ensure that it is best able to balance the requirements of the council as landlord with those of homeowners who pay service charges be noted.
10. That agreement be given to the implementation of a buy back scheme, prioritising homeowners in danger of losing their homes because of financial hardship but also taking into account the other considerations listed in paragraph 104 of the report. The scheme is to be open to all resident leaseholders (with the exception set out in paragraph 106 of the report), not just those who originally exercised their Right to Buy.
11. That officers create appropriate procedures to implement the buy back scheme, including weighting the criteria set down in paragraph 104 of the report and with relevant input from the homeowners' council.
12. That the repurchase price in cases where the homeowner remains in occupation be set at 40% of the vacant possession value for the reasons explained in paragraph 107 of the report.
13. That, in the exceptional cases where vacant possession is gained, the purchase price should not exceed open market value.
14. That the scheme does not extend to repurchasing on a shared equity basis.
15. That in accordance with points 48 and 116 of the report, a minimum capital budget of £500,000.00 be allocated from within HRA capital resources for buy-backs during the 2014/15 financial year and that this figure be reviewed for subsequent years once demand and resource levels can be more accurately assessed.
16. That approval of purchases be delegated to the strategic director of housing and community services.
17. That a policy be developed to offer all leaseholders the option to surrender their current lease for a new lease on a fixed service charge basis. This offer would be a once-only offer to be kept open for a limited period.
18. That the benefits and drawbacks of making such an offer be noted.
19. That a policy to allow the sale at a discount to some or all of the leaseholders of the freehold reversionary interest in blocks where all constituent flats have been sold on long leases be agreed. This policy will reflect the changes to the general consents made by the Secretary of State pursuant to Part II of the Housing Act 1985.

#### 14. GATEWAY 1: MAJOR WORKS CONTRACTOR FRAMEWORK

##### RESOLVED:

That the procurement strategy outlined in the report for a housing and related services major works contractor framework covering 4 lots (for main building works, district heating works and communal electrics work as further detailed in paragraph 9 of the report at a total estimated annual cost of up to £92m for a period of four (4) years from 1 September 2014, making a total estimated contract value of up to £368m be approved.

#### 15. DIRECTLY FUNDED HOUSING DELIVERY: PHASE 2

##### RESOLVED:

##### Decisions of the Cabinet

1. That progress to date of phase 1 of the directly delivered housing delivery programme be noted.
2. That it be agreed in principle that the schemes listed in paragraph 45 of the report are worked up in accordance with the individually identified recommendations as Phase 2 of an overall programme for direct delivery of new council housing on council owned sites.
3. That the consultation undertaken on some schemes in paragraph 45 of the report to date be noted.
4. That a specific strategy for consulting with residents is agreed with the relevant tenants and residents association / other relevant representative body for each of the Phase 2 schemes.
5. That officers explore opportunities to develop the Joseph Lancaster Nursery annexe site in partnership with the Leathermarket Gardens Joint Management Board.
6. That agreement be given to the inclusion of the Old Kent Road / St James Road site referred to in paragraph 24 of the report and the Castle Resource Centre, referred to in paragraph 45 of the report) within the Phase 1 Programme, and therefore to be delivered as part of the Phase 1 procurement arrangements.
7. That the procurement approaches and proposals for phase 2 outlined in paragraphs 57 to 63 of the report be noted.
8. That the position in respect of funding bids to the Greater London Authority for grant funding as outlined in paragraph 40 of the report be noted and that it be further noted that the council will be required to enter into a formal agreement with the Greater London Authority in relation to all funding awarded.

9. That the ongoing preparation of proposals to develop 10,000 further homes, as outlined in paragraphs to 64 to 70 of the report be noted.

#### **Recommendations for the Leader of the Council**

10. That the approval for the procurement approaches for phase 2B, both professional services and construction be delegated to the chief executive.
11. That gateway 2 decisions for work packages in Phase 1 be delegated to the chief executive.
12. That decisions on scheme substitution that prove necessary because of unforeseen circumstances in Phase 1 and Phase 2 be delegated to the cabinet member for regeneration and corporate strategy.

#### **16. PECKHAM AND NUNHEAD AREA ACTION PLAN: TABLE OF POTENTIAL MAIN MODIFICATIONS REQUIRED BY THE INSPECTOR**

##### **RESOLVED:**

1. That it be agreed to formally consult on the potential main modifications to Peckham and Nunhead Area Action Plan (AAP) publication/submission version (Appendix A). The table of potential main modifications required by the Planning Inspector, subject to consultation is set out in Appendix B of the report.
2. That the Inspector's post hearing note, setting out the requirement to consult on the potential main modifications (Appendix C) be noted.
3. That the minor updates to some of the supporting documents: the sustainability appraisal (Appendix D), the equalities appraisal (Appendix E), the proposed adopted policies map (Appendix F) and the schedule of proposed changes to the adopted policies map (Appendix G) be noted.

#### **17. GATEWAY TO PECKHAM - PUBLIC SQUARE AND STATION REGENERATION**

##### **RESOLVED:**

That the contents of the report be noted.

#### **18. PUBLICATION/SUBMISSION DRAFT CANADA WATER AREA ACTION PLAN (AAP)**

##### **RESOLVED:**

1. That council assembly be recommended to consider the publication/submission draft Canada Water area action plan (Appendix A), proposed changes to the adopted policies map (Appendix B), the sustainability appraisal (Appendix C), the equalities analysis (Appendix D), the consultation plan (Appendix E), the consultation report (Appendix F) and the Appropriate Assessment (Appendix G).

2. That council assembly be recommended to agree the publication/submission draft Canada Water area action plan for publication and submission to the Secretary of State provided no substantive changes are necessary following consultation.
3. That council assembly be recommend to delegate the approval of any minor non-substantive amendments resulting from its meeting or consultation on the publication/submission draft Canada Water area action plan to the director of planning in consultation with the cabinet member for regeneration and corporate strategy prior to its submission to the Secretary of State.

**NOTE:** In accordance with overview and scrutiny procedure rule 22.1(a) (budget and policy framework) this decision is not subject to call-in.

### **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.

### **19. MINUTES**

The closed minutes of the meeting held on 17 September 2013 were approved as a correct record and signed by the chair.

### **20. HOMEOWNER IMPROVEMENT PLAN**

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

The meeting ended at 6.30pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, THURSDAY 31 OCTOBER 2013.**

**WITH THE EXCEPTION OF ITEM 18 WHICH FORMS PART OF THE BUDGET AND POLICY FRAMEWORK AND IS THEREFORE NOT SUBJECT TO CALL-IN, THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.**



<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 19 November 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Petition – Old Rotherhithe Library and Civic Centre	
<b>Ward(s) or groups affected:</b>		Rotherhithe Ward	
<b>From:</b>		Proper Constitutional Officer	

### RECOMMENDATION

1. That the cabinet consider a petition in respect of the Old Rotherhithe Library and Civic Centre.

### BACKGROUND INFORMATION

2. A petition containing 500 signatures or more maybe presented to the cabinet. A petition can be submitted by a person of any age who lives, works or studies in Southwark. Petitions must relate to matters which the council has powers or duties or which affects Southwark.
3. At the meeting, the spokesperson for the petition will be invited to speak up to five minutes on the subject matter. The cabinet will debate the petition for a period of up to 15 minutes and may decide how to respond to the petition at the meeting.
4. Any relevant resource or community impact issues will be contained in the comments of the strategic director.

### KEY ISSUES FOR CONSIDERATION

#### Petition

5. An ePetition containing 593 signatures as at 11 November 2013 (ePetition deadline - 18 November 2013) has been received in respect of the Old Rotherhithe Library and Civic Centre. The petition states:

**“We the undersigned petition the council to consider the regeneration and revitalization of the Old Rotherhithe Library and Civic Centre for community provision and services as an alternative to the demolition of the building.**

The regeneration of Albion Street and reinvigoration of community life is urgently needed. What was once a thriving, bustling retail street at the heart of the Rotherhithe community – is today a mostly shabby, somewhat down at heel thoroughfare with struggling shops.

The Old Rotherhithe Library and Civic Centre assumes not only a pivotal position on the street, but is also intrinsic to regaining its former status as a desirable and useful place to visit, as a host for cultural / community activities,

and to become a major player in realizing the area's enormous arts, culture and visitor potential.

Southwark council are planning to demolish the old Library and Civic Centre in order to build a maximum of 20 homes on this site. However, this does not address a more crucial concern for the immediate vicinity, which is to bring life back to an otherwise neglected neighbourhood. Building affordable homes in London is paramount and the pressure the council faces in this respect is understandable, but would building social housing on this site contribute towards solving the main problems that the residents of Albion Street are currently facing? Would it make it a better street to live in and help the shops to thrive? Would it increase its footfall, necessary for its economic prosperity and development? Rather than see a both costly and inefficient demolition, we see more sense in working with what is a perfectly stable structure and bringing it immediately back to public function and value, whilst meeting the actual needs of the neighbours, as clearly outlined in the Café Conversations.

<http://www.canadawater.org/bulletins/AlbionStreetCafeConversations.pdf>

We ask the council that this proposal, which positively responds to the neighborhoods most urgent needs is given due consideration.

A proposal has been made, (please see link below) that provides the opportunity to see not only the building but also the whole street potentially transformed into a pioneering sustainable community neighbourhood; creating jobs, education, engagement with youth, and improving the appearance and perception of the area.

[https://dl.dropboxusercontent.com/u/2522892/Albion Street Sustainability Centre.pdf](https://dl.dropboxusercontent.com/u/2522892/Albion%20Street%20Sustainability%20Centre.pdf)

### **Procedure at meeting**

6. A spokesperson for the petition may speak for up to five minutes on the subject matter of the petition. The cabinet will debate the petition for a period of up to 15 minutes. The cabinet should decide how to respond to the petition at this meeting. A decision could be made to:
  - Take the action the petition requests
  - Not to take the action requested for reasons put forward in the debate, or
  - To commission further investigation into the matter.

A summary of any petition which addresses an issue within the direct responsibility of the council will be referred to the relevant cabinet members of chief officer.

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

#### **Comments of the Chief Executive**

7. To follow.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
ePetition <a href="http://modern.gov.southwark.gov.uk/mgepetitionlistdisplay.aspx?bcr=1">http://modern.gov.southwark.gov.uk/mgepetitionlistdisplay.aspx?bcr=1</a>	160 Tooley Street, London SE1 2QH	Beverley Olamijulo 020 7525 7234

**APPENDICES**

No.	Title
None	

**AUDIT TRAIL**

<b>Lead Officer</b>	Ian Millichap, Constitutional Manager	
<b>Report Author</b>	Everton Roberts, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	8 November 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
Chief Executive	Yes	To follow
<b>Date final report sent to Constitutional Team</b>		8 November 2013

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 19 November 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Responding to Deputation by Oswin Street Residents	
<b>Ward(s) or groups affected:</b>		Cathedrals ward	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

Since the deputation of Oswin Street residents came to cabinet last month I've walked around the area, reviewed the construction management plans and route alternatives and discussed construction traffic with both council officers and Lend Lease.

It is clearly a difficult location with One The Elephant and the leisure centre site lying between the busy A3 and its complex traffic junctions on one side and cycle superhighway 7 on the other.

On my visit I saw the mud on Oswin Street and, having lived surrounded by building sites myself, I can well understand the disruption this must be causing. However, I also saw the huge numbers of cyclists using other local streets - traffic counts show that Churchyard Row is used by almost 5000 per week and Dante Road by nearly 3000.

With this in mind and having reviewed the options appraisals I have come to the conclusion that there is not a feasible, safe alternative that avoids Oswin Street.

The situation should however be improving. Initially construction traffic was travelling both in and out of the sites along Oswin Street, in recent months a site entrance has opened on Newington Butts and construction traffic is now only using Oswin Street to exit from the sites, effectively halving the number of lorry journeys that could have been travelling along the street. Furthermore I am informed that within the past week Lend Lease has completed the main basement dig on their site (which involved peak truck movements taking mud off site) and that construction traffic should not reach such levels moving forward.

I have also made enquiries about the likely traffic routes for the future construction on the London Park Hotel site and I do not believe that Oswin Street should be used for construction traffic for this site.

## **RECOMMENDATIONS**

That Cabinet

1. Notes the report and in particular the option appraisal undertaken in relation to the construction vehicle route prior to formal approval by planning and highway authorities.

2. Endorses the residents' request that no construction vehicles travelling to or from the former London Park Hotel construction site travel along Oswin Street.
3. Request further monitoring and enforcement of any breaches of the approved construction management plan by either Balfour Beatty or Lend Lease.

### **BACKGROUND INFORMATION**

4. In October 2013 the Oswin Street residents group submitted a deputation to Cabinet raising a variety of concerns about the primary use of Oswin St by construction vehicles exiting the 'One the Elephant' and Elephant and Castle leisure centre sites. When considered at the 22 October cabinet meeting it was agreed that issues raised were too extensive and that a further Cabinet report was required to respond accordingly.

### **KEY ISSUES FOR CONSIDERATION**

5. The following seeks to respond to each point raised within the deputation.

#### **Construction Route**

- **A call for transparency and involvement of directly affected residents and businesses in the decision making process and that a formal procedural policy be put in place to ensure this takes place. This to include incorporation of immediate access/aggress streets to be within section 61 of planning approval process.**
6. In reviewing the decision making process the council believes that its contractors, Balfour Beatty, and Lend Lease have been transparent throughout the identification of a preferred vehicle route through extensive consultation, resident engagement and the statutory decision making processes. Understandably the decision to use Oswin Street for construction vehicles is not one that the residents will welcome however the outcome is not the result of a lack of options appraisal and transparency.
  7. The process for agreeing the vehicle route has been the same for Balfour Beatty and Lend Lease as it would be for any other developer or contractor. The proposed route for the leisure centre vehicles was set out in the draft Construction Management Plan (CMP) that was submitted as part of the leisure centre planning application, a process that neighboring residents are consulted on as part of the planning authorities statutory consultation. Pages 8 – 10 of the submitted Leisure Centre CMP (please refer to appendix one) and sections three and four (please refer to appendix two) of the submitted Lend Lease CMP clearly outlines the extensive options appraisal that was undertaken in arriving at the preferred logistics route.
  8. The agreed route is based on the council's principals set out in its Network Management Policy that seeks to minimise disruption on the road network. The plan that has been approved is considered by the highway authority to be the safest for all road users in that:
    - Minimises the number of conflict points between construction vehicles and cyclists / pedestrians.
    - Enables site access at a controlled junction

- Construction vehicles travel the shortest distance and past fewest residential properties when exiting the site.
- Does not cross the cycle super highway at non-signalised junctions

➤ **A call for an alternative route to be immediately considered**

9. For the reasons outlined clearly in the relevant sections of the Balfour Beatty and Lend Lease CMP (appendix one and two), the Highway Authority are of the opinion that there aren't any alternative routes that could be used without increasing risk to other road users despite all available options being considered before this decision was reached.
10. This examination is clearly demonstrated by Balfour Beatty voluntarily commissioning a photographic survey to identify the number of cyclists using the local road network in order to inform the route that would reduce risk to cyclists. The results, shown on the plan in appendix three, identified that significant number of cyclists travel along Dante Place (2799 per working week) and the cycle super highway along Churchyard Row (4738 per working week). In comparison only 548 cyclists were recorded travelling on Oswin Street and therefore it is clear that using Oswin St only minimises the risk of conflict between trucks and cyclists.
11. The survey did however confirm that the highest cyclist flows recorded were those cyclists travelling north along Newington Butts (6642 per week). The approved vehicle route (shown in green in appendix three) does create a potential conflict point between trucks and these cyclists however this risk is mitigated against as cyclists are controlled by a signalised junction and clearly visible to drivers.
12. In recent months, since the completion of the site entrance off of the A3, the council understand that no complaints have been lodged with either Balfour Beatty or Lend Lease's complaints number about construction vehicles and the council believes that construction traffic is being managed effectively with any exceptional loads being handled in the correct manner. Through regular attendance at the monthly liaison meetings attended by Balfour Beatty and Lend Lease, officers report that issues raised by local residents are responded to by Balfour Beatty and Lend Lease wherever possible.

➤ **A request for full correspondence that took place between officers and TFL, concerning the construction route access/egress and the Cycle Superhighway CS7 to be made available to the Oswin Street Residents Association**

13. The deputation received by residents of Oswin St is being treated as a formal Freedom of Information request and is to be treated in the correct procedural manner.

### **Council Tax Exemption**

➤ **Where residents and businesses are impacted for greater than 6 months by construction the council should enter an agreement whereby the developers should pay the council tax for those impacted.**

14. The council cannot impose such a compensation regime on any developers and do not see this as a reasonable request given that both Balfour Beatty and Lend

Lease are currently managing the traffic to the best of their abilities, with no reported complaints and adhering to the requirements of both Transport for London and the council's highways team.

### **Parking Issues**

- **A review of the parking arrangements and restrictions, through consultation with Oswin Street residents, to ensure residents are not impacted by the opening of the new leisure centre or One The Elephant**
15. Given the highly accessible location of the leisure centre it is not anticipated that visitors will travel by car. The planning approach and scheme design has focused on promoting sustainable means of transport such as tube, bus, cycling and walking. Condition 22 of the planning approval requires the Council to submit a travel plan prior to the opening of the centre to clearly demonstrate how such means of travel will be promoted and that this would be monitored against over the first year.
  16. Furthermore new residents at the One the Elephant development will not be eligible for on-street car parking permits and this approach had proved successful with other major schemes within area of high accessibility to public transport.
    - **A guarantee that construction traffic for the London Park Hotel site will not be permitted to use Oswin Street.**
  17. The appointed contractors for the 360 Tower development have entered in to a dialogue with both Southwark Highways and TfL to identify the safest and most effective construction vehicle route to be used during their works following exactly the same method and approach as was used for the leisure centre and One the Elephant. There will be public engagement events scheduled prior to commencement of any works at which the approved route will be presented. At this stage there has been no request by the contractors to use Oswin St as a means of entrance or exit to their site.
    - **Oswin Street Improvements & Duty of Care - Promises have been made to resurface Oswin Street at the end of construction – dates and proposals need to be agreed.**
  18. Moneys have been allocated by both Lend Lease and Balfour Beatty to undertake the resurfacing of Oswin St on completion of the construction activities. In addition both contractors have exceeded their previous commitments within the approved CMP's in respects to minimising impact on Oswin St. Both contractors are required by their planning consent to undertake wheel washing within their site boundary however additional measures are in place including daily street cleaning of Oswin Street and making window and car cleaning available to those who justifiably request it.
    - **Utilisation of '106' monies to further improve Oswin Street particularly:**
      - **New pavements**
      - **Improvement to landscaping at rear of London College of Communications adjacent to Oswin Street**
  19. All public realm and open space contributions generated by the One the Elephant residential development have been ring fenced for improvements to

either the St. Mary's Churchyard or site specific landscaping improvements. Therefore there is no S106 money available for these developments to improve Oswin St. An application for Cleaner Greener Safer moneys could be made by the Oswin St residents for these proposed improvements and Council officers and Lend Lease have already offered to support residents in bringing forward these improvements at a meeting with Phillip Robinson (7 Oswin Street). This will be raised again at future coordination meetings.

➤ **Restrict heavy vehicles not accessing properties in the street to reduce damage, noise and pollution**

20. As discussed, the construction management plan has been approved by the council and currently in action and working effectively therefore the council does not see the reason for restricting vehicles accessing Oswin St especially given the London College of Communication servicing requirements.

➤ **Sampling & monitoring station for pollution to be installed in Oswin Street and data to be provided to Residents Association.**

21. The council has a London Air Quality Network (LAQN) monitoring station in St Mary's Churchyard which monitors a variety of atmospheric pollutants and is part of a London wide network. This information is publicly available through the website.

22. Balfour Beatty and Lend Lease will be monitoring noise and particulates on their boundaries at the junction with Brook Drive and Oswin Street as part of the environmental monitoring for the construction sites, with regard to measuring against national standards for noise and dust from construction. The results of all construction site monitoring is part of the planning process and will become a matter of public record as reports are received by the council. Therefore officers do not see the justification to install further air quality monitoring equipment on Oswin St as this location is already well served in this regard.

**Policy implications**

23. There are no policy implications resulting from this report.

**Resource implications**

24. There are no resource implications resulting from this report.

**Community impact statement**

25. The impacts on the community, alternative options and feasibility of those alternatives, have been addressed throughout the report in paragraphs 5-22.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
None		



**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Feasibility Study
Appendix 2	Infrastructure Works
Appendix 3	Monday to Friday cyclist count

**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>	Matthew Rees, Senior Project Manager.	
<b>Version</b>	Final	
<b>Dated</b>	8 November 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>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	8 November 2013	

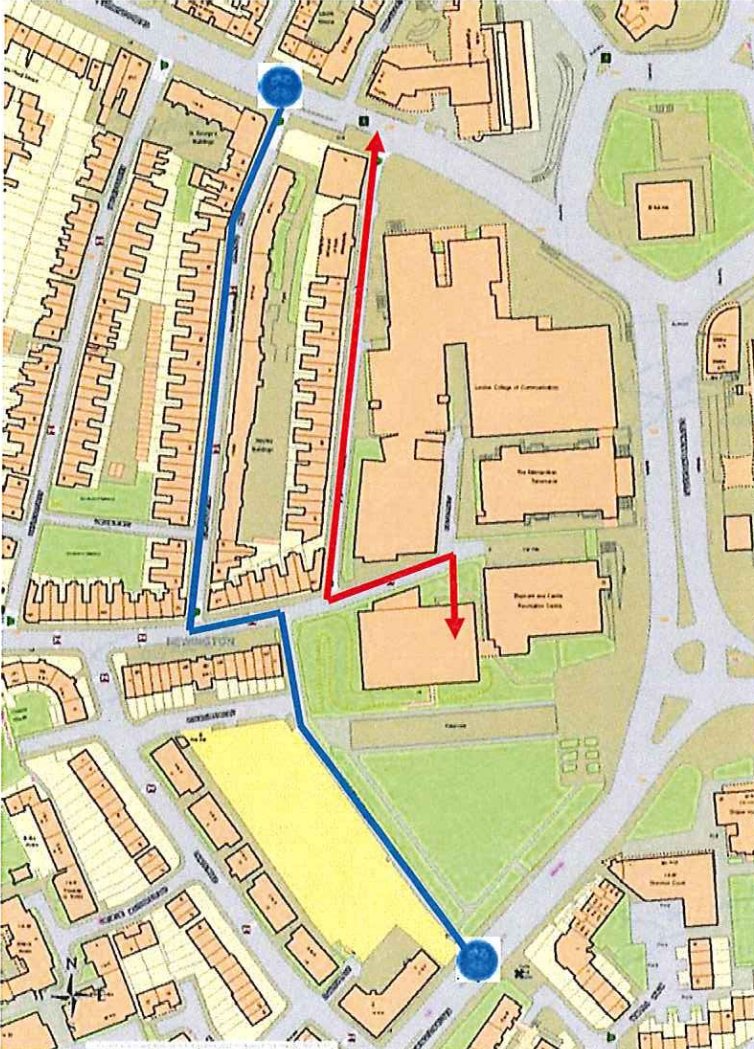
The feasibility study identifies that the feasible route to the leisure centre site is In and Out via Oswin Street. The other routes have been discounted either due to safety concerns or because of undue disruption to the local area. A summary of the feasibility study is provided in the table below:

Route	Summary of feasibility study
In and Out via Oswin Street	<p><b>Preferred</b></p> <p><u>Safety</u> No interaction with Cycle Superhighway Cyclists rarely use Oswin Street</p> <p><u>Disruption</u> Disruption to neighbourhood limited to one residential street</p> <p><u>Logistics</u> Minimal disruption / reconfiguration of existing highways.</p>
In via Dante Rd / Longville Rd, out via Oswin Street	<p><b>Not viable</b></p> <p><u>Safety</u> Not supported by TfL due to construction vehicles having to cross Cycle Superhighway</p> <p><u>Disruption</u> Site vehicle movements on Oswin St are one way. More roads affected by construction traffic compared with the Oswin St only option.</p> <p><u>Logistics</u> Requires enhanced resource to manage the crossing of the Cycle Superhighway.</p>
In via Newington Butts, out via Oswin Street	<p><b>Not preferred</b></p> <p><u>Safety</u> Greater interaction between cyclists and site traffic at more junctions than the Oswin St only option.</p> <p><u>Disruption</u> Site vehicle movements on Oswin St are one way. Potential significant disruption caused by reconfiguring this busy junction, public realm and bus stops (compared to the low volumes of leisure centre construction traffic).</p> <p>Note: This may still be the preferred route for the St Mary's development and will continue to be negotiated. There is potential for leisure centre vehicles to switch to this route once the St Mary's development starts on sit as the small number of leisure centre vehicles would not have a material effect on the impact of this option.</p>
In and Out via Newington Butts	<p><b>Not preferred</b></p> <p><u>Safety</u> No interface with Cycle Superhighway Greater interaction between cyclists at the busy Newington Butts junction.</p>

	<p><u>Disruption</u> Minimises disruption to local residents Potential significant disruption caused by reconfiguring this busy junction, public realm and bus stops (compared to the low volumes of leisure centre construction traffic).</p> <p><u>Logistics</u> Direct access for site vehicles off an A-Road.</p> <p>Notes: Not viable once the St Mary's development starts. TfL has yet to confirm their approval for creating this cross-over. Approval and forming of this crossover is unlikely to happen before the leisure centre starts on site.</p>
Creation of a lay-by adjacent to Newington Butts	<p><b>Unviable for leisure centre construction</b></p> <p><u>Safety</u> No interface with the Cycle Superhighway or use of residential streets. Greater interaction between cyclists at the busy Newington Butts junction.</p> <p><u>Disruption</u> Minimises disruption to local residents Potential significant disruption caused by reconfiguring this busy junction, public realm and bus stops (compared to the low volumes of leisure centre construction traffic).</p> <p><u>Logistics</u> Not viable for the delivery of the leisure centre project due to the distance from the site.</p>

The study below provides details of In and Out via Oswin Street (the feasible route). The studies of the other routes can be found within Appendix A of this document.

### Feasible Route: In and Out via Oswin Street



#### Health and Safety

No interaction with Cycle Superhighway

Cycle survey indicates cyclists rarely use Oswin Street

#### Potential Disruption

Local disruption minimised to a single street with houses on one side only

No suspension of residents parking bays

#### Logistical Considerations

Minimal disruption / reconfiguration of existing highways.

#### Notes

This route is only applicable for the leisure centre due to relatively low vehicle movements (unsuitable for St Mary's development)

Once the St Mary's development starts our vehicles could approach the leisure centre via the new entrance formed on Newington Butts.

### 3 Infrastructure Works

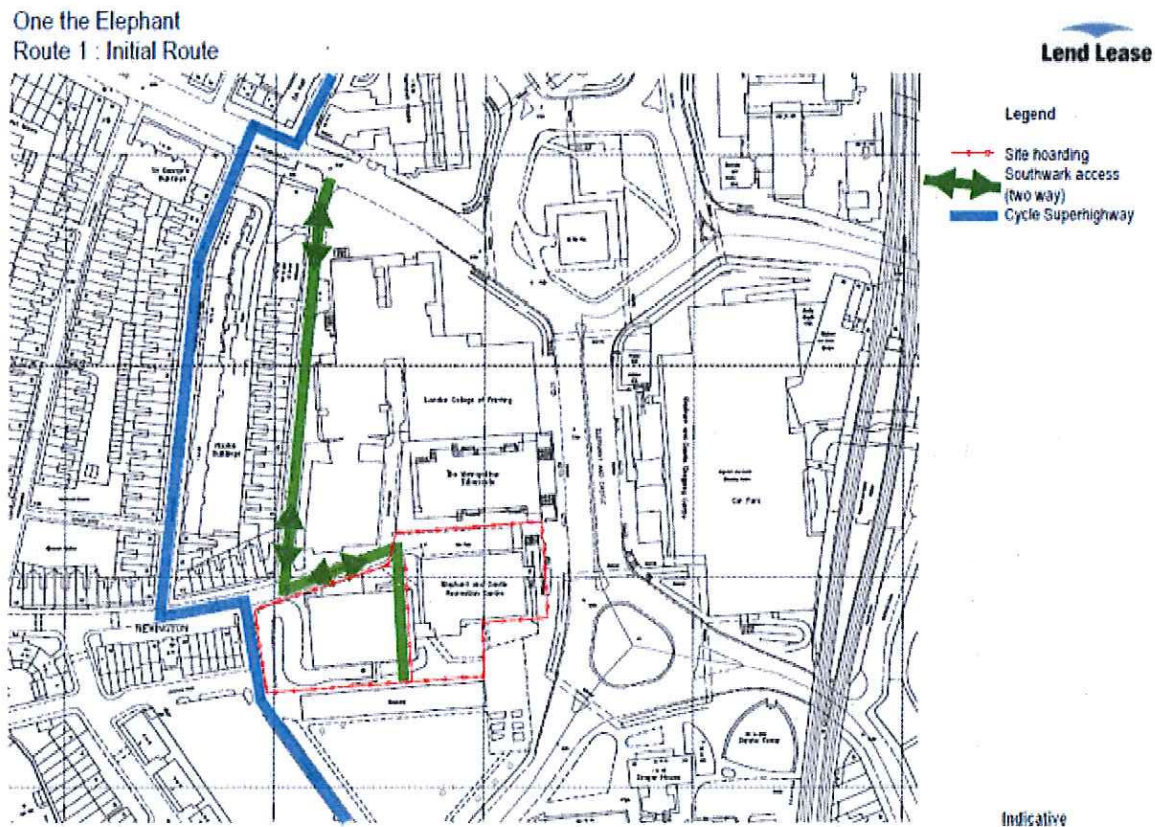
#### 3.1 Utility Infrastructure Works

Separate soil / waste and rainwater drainage shall be provided to connect to the existing below ground drainage infrastructure.

#### 3.2 Road Diversions

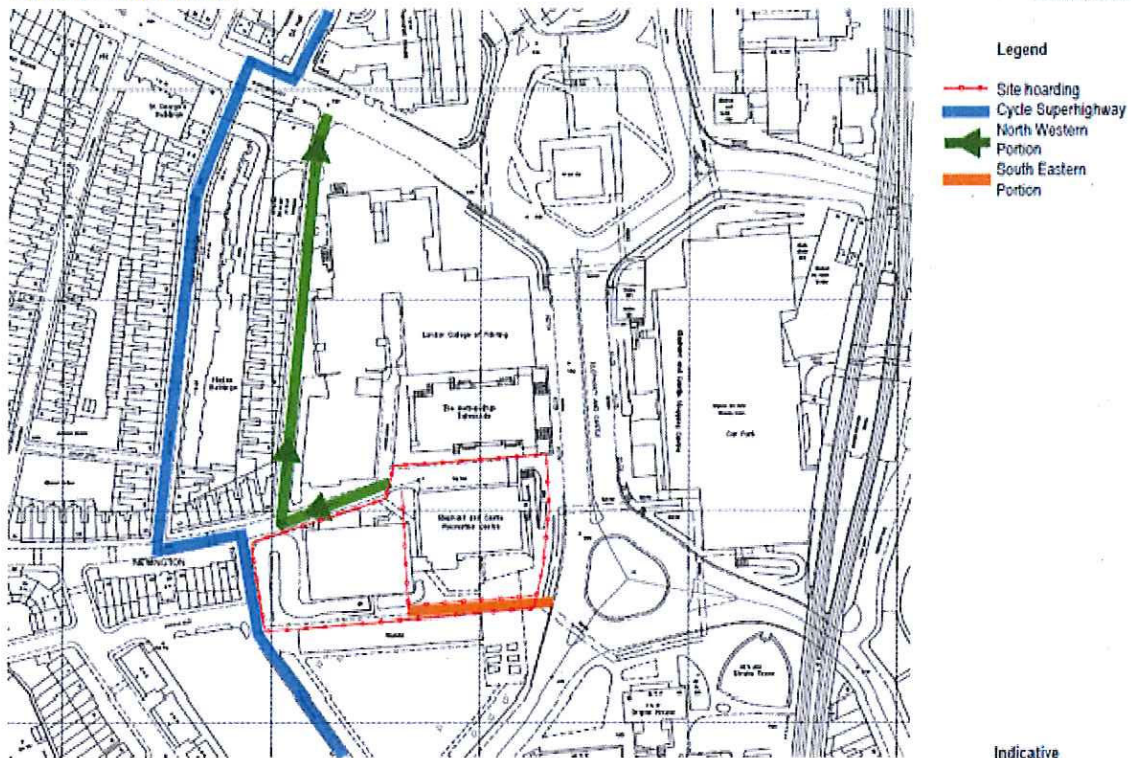
The construction traffic routes that will facilitate the delivery of goods and material to and from the Proposed Development site have been agreed in principle with Southwark Council and TfL with final approval expected by April 2013.

During the enabling works, Lend Lease will begin formation of the shared haul road and entrance from Newington Butts. Vehicle quantities during this period will be minimal due to the minor works that are to be undertaken. Access during this period, can only be gained from the North West entrance at Brook Drive. In order to avoid vehicles crossing the CS7 cycle route, traffic will arrive at site via Oswin Street, exiting by the same route. This is detailed on the below diagram.



During the main development construction work, vehicle movements will be restricted to accessing site via Newington Butts only, and egressing site via the North West corner at Brook Drive, back onto the arterial routes via Oswin Street. This ensures vehicles only impact on a minimal amount of local residents. There is to be no crossing of the CS7 cycle route by any construction traffic. This route will also be shared by Southwark Council, in their construction of the adjoining leisure centre. This route is noted for clarity in the below diagram.

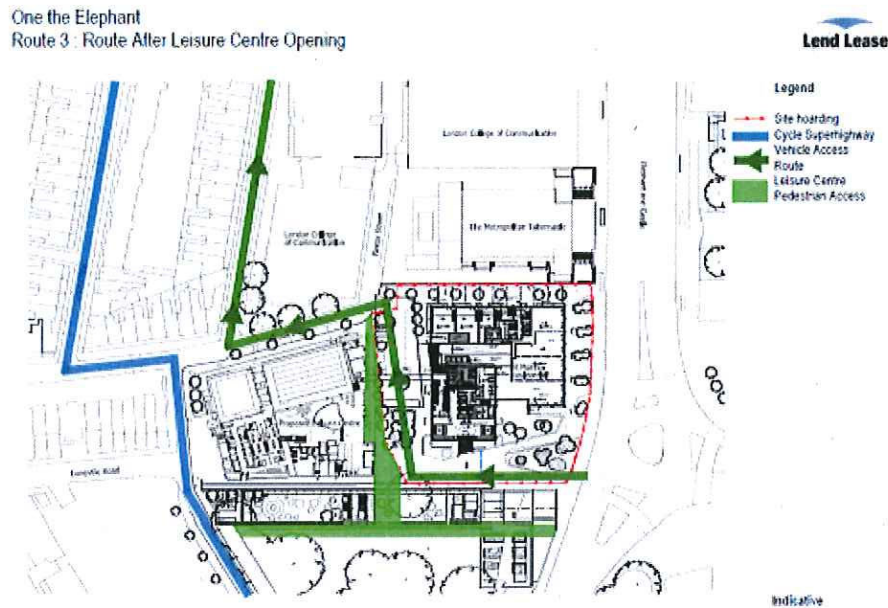
One the Elephant  
Route 2 : Shared Route



The construction route has been discussed with TfL and Southwark Council. Construction vehicles will follow the route proposed below;

Vehicles will arrive on the A3 northbound carriage turning left into site from Elephant & Castle / Newington Butts (A3). They will then undertake their delivery on site, exit via Brook Drive before travelling north along Oswin Street. This will bypass many of the local residents and the CS7 cycle route on Churchyard Row / Elliots Row. This is reflected above.

During the development works, the new E&C Leisure Centre will be completed and opened to the public. The below diagram shows the traffic routes for this period through to the completion of the development.



Also shown above are the spaces and routes that will be made available for pedestrian access to the opened leisure centre.

### 3.3 Utilities Diversion

Utilities diversions will be undertaken to provide an unencumbered Site. It is the aspiration of Lend Lease to minimise disruption to existing services and highways where possible but this will be dependent upon discussions with the statutory providers. Lend lease is responsible for the diversion of existing utility infrastructure within the Site boundary to the point of connection that needs to be diverted due to any new landscape planting and required tree root zones. Lend Lease will stipulate new routes for on-Site distribution of new utility services. Where existing utility services have been made redundant or stripped out by 4Futures/demolition contractor, this information will need to be indicated on a survey drawing which is to be issued to Lend Lease.

### 3.4 Public realm

Public Realm works include:

- Park construction outside the red line application boundary as part of the developer contributions (Section 106).
- Tree Management. Where trees external to the 'One the Elephant' Site perimeter are identified for retention, construction work would be undertaken in accordance with relevant guidelines in BS 5837:2005 ('Trees in relation to Construction - recommendations') to ensure that any construction within close proximity of these trees is undertaken without significantly impacting on them. Retained trees would also be adequately protected from damage throughout the development process
- SUDS and water features/ponds;
- Play spaces; and
- Hard and soft landscaping.
- Completed sections of the public realm will be protected with fencing to separate completed works from on-going construction work areas.

## 4 Construction Traffic & Access to Site

### 4.1 Construction Traffic

Lend Lease have committed to ensuring that all HGV class drivers attending site, have been booked on to attend the FORS Safer Urban Driving training course, working with Southwark Council and Transport for London to create an effective programme for training. Lend Lease will also ensure that FORS accreditation is a key deliverable for all freight haulage companies who are expected to deliver to site.

Lend Lease intends to implement a standard of construction traffic safety in line with the 'Gold' standard currently being benchmarked by Crossrail and Suppliers.

<http://www.crossrail.co.uk/news/articles/crossrail-implements-lorry-requirements-to-improve-cycle-safety>

Risk assessments of the local networks will also be undertaken and where required, Fresnel lenses and blind spot sensors will be incorporated into the traffic management plan.

### 4.2 Construction Routes & Access : Greater London

Elephant & castle and the surrounding area is recognised as a high volume traffic area which at times, can greatly influence the effects of traffic in other areas of London. In order to ensure traffic within London is not widely affected by the development, we have included in Appendix C, guidance for all hauliers on the routes they should take for deliveries and collections from the development.

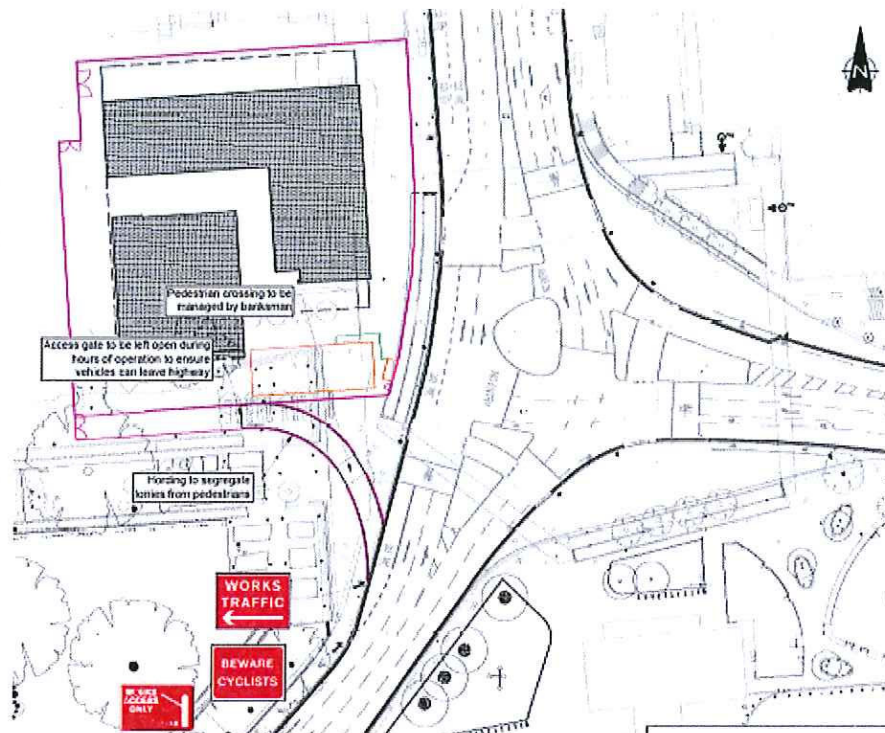
Lend Lease will also ensure that suppliers provide a means of checking the routes which are used by their HGV drivers to provide comfort to all parties that every effort is being made to ensure local and wider approach routes remain minimally effected by the work.

### 4.3 Construction Routes & Access : Local Area

Due to the positioning of the Site and restricted access, construction traffic routes will be agreed with Southwark Council, TfL and other necessary authorities for the works, alongside consultation with local residents. Construction vehicle movements would be restricted to the main arterial routes where possible. Local vehicle routes are shown in section 3.2.

The construction traffic routes that will facilitate the delivery of goods and material to and from the Proposed Development site have been agreed in principle with Southwark Council and TfL with final approval awaited. This is shown below.





All vehicles will turn within the Site in order to minimise disruption to other road users. A plan showing the designated construction route is illustrated in the Travel Plan

Assuming that the construction programme commences in mid-2013, it is estimated that there would be a peak in HGV trips coinciding with the busiest periods of construction during the summer of 2013.

On the basis of 5½ working days per week and a 10-hour working day, five to eight hourly HGV construction trips may be expected within the peak period. It should be noted that these peak construction periods are not typical of the majority of the construction programme. Therefore, for much of the construction programme the number of vehicles would be approximately half that in the peak periods.

Movements of large or abnormal loads would be addressed in advance with the relevant highway authorities and the Police in order to ensure compliance with regulations and advance notification for local residents. Whilst no permanent or long-term road closures outside of the Site are envisaged, should this situation change consent would be obtained from Southwark Council or TfL (as appropriate). Furthermore, prior notices regarding planned closures and diversions of roads would be given to the Metropolitan Police, the London Fire and Emergency Planning Authority (LFEPA) and other emergency services.

The Site is located close to the Elephant and Castle rail and underground stations and a number of London bus services. Given this proximity to public transport services, it is envisaged that the majority of construction personnel would travel to Site by public transport.

Provision would be made, to ensure that the unloading of vehicles can be carried out on-Site rather than on the adjacent roads.

In addition, the passage of vehicular traffic to and from the Site would adhere to the environmental procedures contained within the Environmental Management Plans and applicable to all contractors involved in the Development.

Deliveries to site will be managed by a strict delivery booking system, compulsory for all sub-contractors. Where practical peak and large deliveries will be co-ordinated with those of the Leisure Centre development

#### 4.4 Offloading and Storage Areas

Vehicles will be directed to their designated delivery point or holding/storage areas, which will be marshalled by logistics personnel, ensuring that only authorised personnel are given access.

All deliveries will be notified in advance to the contractor's logistics team. Access slots will be allocated. No delivery vehicle will, as far as it is possible to enforce, leave the Site empty. A "take-back" policy will be encouraged whereby all return vehicles will take "associated waste/packaging" with them.

#### 4.5 Personnel and Vehicle Segregation

All pedestrian routes will be clearly defined utilising temporary fencing and pedestrian route signage where necessary. Pedestrian crossover routes will have appropriate warning signs displayed, e.g. give-way signs, vehicles crossing etc.

All Site operatives will be given a specific Site induction, and briefed with reference to the use of designated pedestrian access ways and crossover points.

#### 4.6 Temporary Road Closures

No long-term road closures are envisaged. However, short-term closures may be required in order to establish and remove cranes or to deliver items of plant and equipment. Notices regarding any planned closures and diversions of either roads or footpaths shall be given by the principle contractor to Southwark Council, TfL and London Buses, the police, the fire brigade and other emergency services.

In order to further minimise the likelihood of congestion, strict monitoring and control of vehicles entering, exiting and travelling through the site would be maintained. This would include:

- The setting of specific delivery and collection times;
- Consolidation of deliveries wherever possible;
- A system of 'just in time' deliveries; and
- Pedestrian access around the site perimeter will be safely maintained.

With regard to on site and highway safety, Lend Lease is committed to operating incident and injury free (IIF) and is committed to realising this wherever Lend Lease has a presence.

#### 4.7 Pedestrian Access Post-ECLC Completion

Prior to the completion of the Development, Southwark Council will have completed the proposed new leisure centre, opening it for business six weeks later. Once open for business, regular access to the leisure centre will be required by the members of the public.

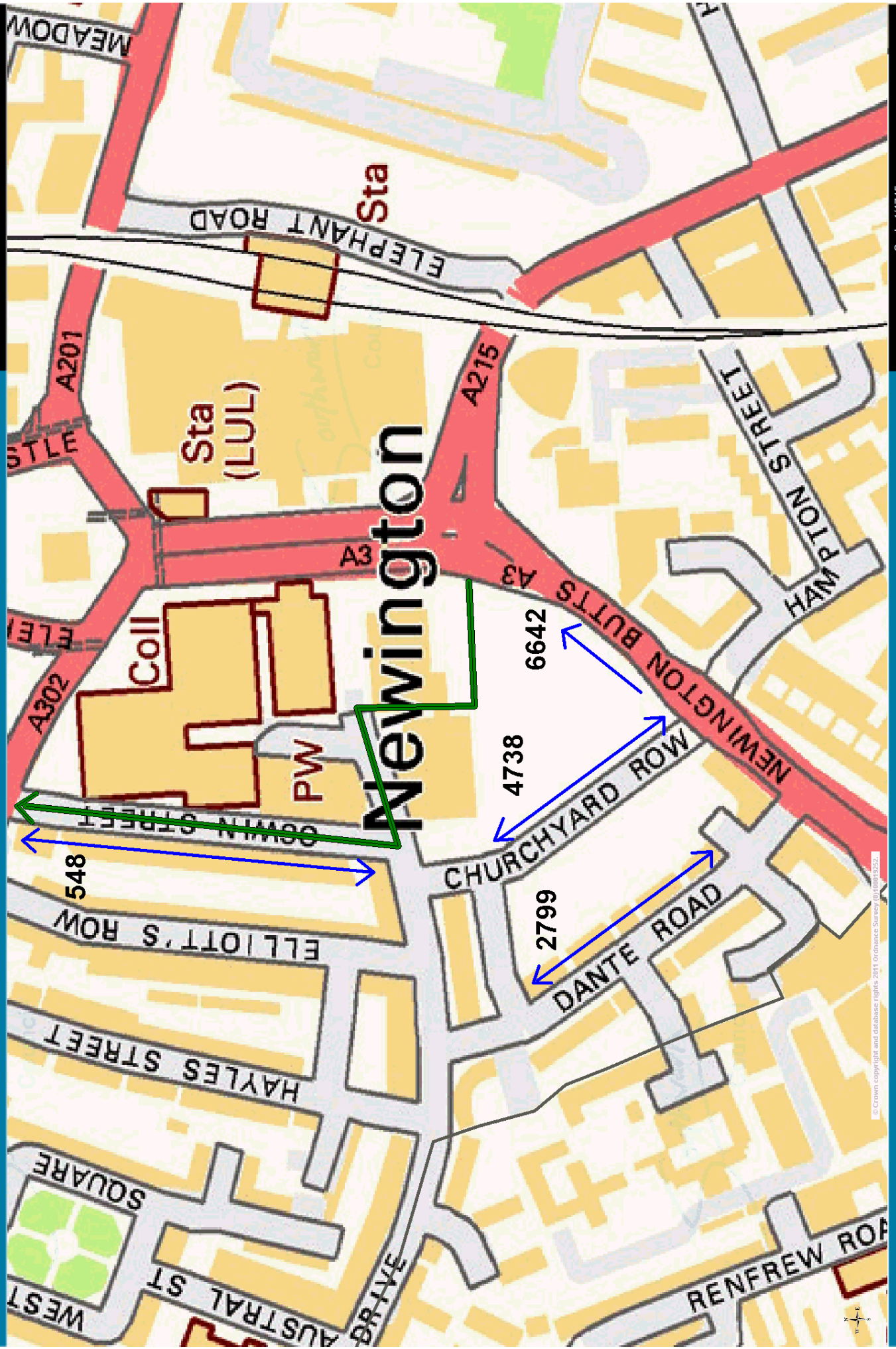
It has been agreed with Southwark Council that members of the public accessing the leisure centre will do so via the adjacent St Mary's Churchyard, accessing the leisure centre through the playground separating the leisure centre from the Churchyard. No members of the public will be permitted to access the leisure centre via any Lend Lease construction areas. Lend lease will assist Southwark Council is making ready the shared surface area, such that it is safe for non-construction personnel. This is shown further in section 3.2.

Access for fire tenders to attend the Leisure Centre in the event of an emergency will also be provided by Lend Lease in conjunction with Southwark Council.

Appendix Three - Monday to Friday Cyclist Count



Date 1/11/2013



Scale 1:1745

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<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 19 November 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Harmsworth Quays Cooperation Agreement	
<b>Ward:</b>		Surrey Quays	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

The development of Harmsworth Quays, a large brown field site in the centre of Rotherhithe, is a fantastic opportunity for the area. I am recommending that as freeholder of the majority of the site we enter into a cooperation agreement to work with British Land, who acquired land interests from Associated Newspapers, and Kings College London. After entering into this agreement we will work together to develop and consult on a masterplan for the area.

The site has the potential to be home to a new university campus which would bring a new vitality to the area, particularly on weekdays, which will support the viability of the town centre and the changes we would like to see such as a better variety and quality of shopping and leisure provision. A university development would also bring jobs to the area and be car free – particularly important given traffic problems inherent to the peninsular.

There will undoubtedly also be residential development on the site and it is our expectation that this will include hundreds of new council homes as part of our pledge to deliver 11,000 new council homes.

### **RECOMMENDATIONS**

That the cabinet:

1. Approves that the director of regeneration and director of legal services be instructed to complete the Harmsworth Quays Cooperation Agreement consistent with the principles document set out in Appendix 1 of this report.
2. Confirms its support to the objective of Kings College establishing a new major campus at Harmsworth Quays, to include significant elements of teaching, research and administrative facilities, and to that end instructs officers to support Kings in their viability and feasibility testing.
3. Notes the findings of the emerging review of the Canada Water Area Action Plan and instructs officers to ensure any redevelopment of Harmsworth Quays includes a mix of uses and maximises the amount of employment generating uses.

## BACKGROUND INFORMATION

4. For more than ten years the council has been promoting the regeneration of the Canada Water area in Rotherhithe. This has been a great success and there is now considerable investor and developer interest. This report outlines progress to bring forward the site of the former print works at Harmsworth Quays (HQ) for redevelopment.
5. The site was formally operated by Associated Newspapers Ltd (ANL) and the plan at Appendix 2 shows the occupational titles. Until recently plots 1 and 4 were owned freehold by ANL, the rest of the site being the council's freehold and occupied by ANL under a number of leases. The council owns the freehold of approximately 85% of the site.
6. In August 2011 ANL announced their intention to relocate their print operation to a site in Essex. It was subsequently agreed with the Planning Inspector that the change of status of such an important site justified a review of the Canada Water Area Action Plan (CWAAP); the principle planning policy document for the regeneration area.
7. That process began in the summer of 2012 and will run until the middle of 2014. It has included extensive public consultation from which it is clear local people support HQ being used for employment generating uses. There is also concern at the potential scale of residential development in the area and the ability of local infrastructure to cope with large numbers of new homes and the traffic that would generate.
8. The emerging plan confirms the council's vision for the area as set out in the previously adopted CWAAP and anticipates HQ being developed for a mix of uses. The emerging plan also lists employment generating uses as a required use for the site.
9. During early 2012 Kings College emerged as a potential occupier and investor in Canada Water. Initially looking to build student accommodation on the Mulberry Business Park, Kings quickly identified the unique opportunity Canada Water afforded it to create a new major campus for the University. This idea has been explored as part of the review of the CWAAP and Kings has also undertaken a number of public consultation events where its proposal has in general been well received.
10. From a regeneration perspective locating a world class university such as Kings at HQ would change perceptions of the area and would likely be a catalyst for further change. There is the prospect of several hundred staff being based there with knock-on benefits for local shops and businesses. Kings staff and students would generate much needed daytime activity and support for an evening economy. A university also has the benefit of generating considerably less traffic than many other forms of development.
11. In late spring 2013 ANL put their land interests in HQ on the market. The council was interested in acquiring the site but its offer was not accepted and in August 2012 ANL applied to the council to assign its leases to British Land (BL). The application did not include sufficient details on BL's intentions for the site for the council to be able to agree the assignment.
12. A second assignment request made in December 2012 led to a detailed

exchange between the council, ANL and BL. During this process the council was supplied with extensive information and supporting statements from BL on their intentions for the site; in particular that they support the principle of creating a new campus for Kings. On this basis, and having first taken advice from external legal specialists and leading counsel, in March 2013 the council agreed to the request to assign to BL.

13. Since then the council has been working with BL and Kings on the structure of an arrangement that will deliver the redevelopment of HQ. These tri-partite talks are predicated on delivering a new major campus for Kings at HQ. Kings now has consent for Mulberry comprising 700 student beds and 400 sq m of office space which demonstrates their commitment to investing in Canada Water and establishing an urban campus in this location.
14. The first milestone in this process is for the three parties to formally agree to co-operate together in the delivery of the redevelopment. To that end cabinet is asked to endorse the principles for a co-operation agreement between the council, Kings and BL that are set out at Appendix 1 and to instruct completion of the legal formalities.
15. The next stage in the development process will be for the parties to undertake public consultation, prepare a masterplan for the site and complete a detailed financial appraisal. If appropriate, that work will be reported back to cabinet in the first half of 2014 along with the heads of terms for a commercial agreement.

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

16. It is part of the normal role of the regeneration division to explore options for the redevelopment of key sites in the borough. The issue here is whether it is appropriate to do so in cooperation with BL and Kings. There are considered to be strong practical reasons for doing so.
17. BL is one of the countries largest property investment and development companies and has a significant ownership interest in HQ. They are already closely involved in the area by virtue of their ownership of the Surrey Quays shopping centre. This means BL will have to be involved in some capacity in decisions about the future of HQ and has specialist skills and experience to contribute to the feasibility testing of the site.
18. Kings has, as noted above in paragraph 13, recently secured consent for the redevelopment of the Mulberry site. This development will establish their presence in Canada Water and demonstrates a commitment to invest substantially in the location. The Mulberry scheme therefore has the potential to be a first phase of a larger urban campus.
19. Kings' campus proposal for HQ has the potential to deliver a significant number of new employment and training opportunities consistent with the emerging CWAAP proposals together with other regeneration benefits. The purpose of the Cooperation Agreement is to provide a framework to allow the parties to appraise the commercial and financial issues arising from this proposal and establish whether there is a basis for agreement on a commercial deal. It will allow officers to work with Kings to fully understand their "offer" and the scope of the regeneration benefits it can potentially generate. Officers anticipate that they will be in a position to report on the outcome of these negotiations together with proposals for a contractual structure in the first half of next year.

### **Policy implications**

20. The most relevant policy statement for the regeneration of HQ is the adopted CWAAP. Any redevelopment proposals that emerge from feasibility work will be informed by the adopted CWAAP and the emerging reviewed CWAAP that is currently being consulted upon. They will have to comply with its specific policy statements in relation to HQ.
21. The vision in the adopted CWAAP is that Canada Water should be redeveloped along the lines of a more traditional town centre with a mix of uses and that the area should be less dominated by cars. The adopted CWAAP gives the required use for the HQ site as business use, with residential, retail, community and hotel all acceptable alternatives uses.
22. The emerging reviewed CWAAP has as required land uses for HQ a mix of employment generating uses such as: business use; retail; community and leisure, including education, higher education and health uses; and hotel. The plan also specifically states that proposals should maximise the amount of employment which can be generated. Other acceptable uses are residential and student housing.

### **Community impact statement**

23. There are not considered to be any particular community impacts from this decision, which in essence deals with an operational issue.
24. Over the last several years there has been extensive consultation with the local community about the regeneration of the Canada Water area, which includes HQ. This has been captured in the CWAAP.
25. Any proposals for the redevelopment of HQ will have to comply with the CWAAP and as they emerge will be the subject of specific consultation.

### **Resource implications**

26. The decision for this report is whether or not to enter into a cooperation agreement with BL and Kings to explore the redevelopment of HQ. If it is subsequently found that exploration requires the commitment of resources that will be dealt with through the council's normal decision making and budget setting processes.
27. For the immediate decision the only resource requirements are officer time for staff from the Regeneration Division and a small budget to pay legal fees to complete the co-operation agreement: The staffing commitment is considered to be part of the normal workload for Regeneration officers and will be met from existing budgets. The legal costs are estimated as being no more that £1,000 and will be met from existing Regeneration and project budgets.
28. There are not considered to be any significant legal implications arising from this matter.

### **Consultation**

29. To date consultation has been between officers from Regeneration, Planning



and Legal Services. Future stages in the feasibility testing process will involve extensive public consultation and the involvement of a wider range of officers from around the council.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

30. Legal Services has to date been closely involved in the discussions and have in particular been in discussions with Kings College concerning the planning agreement for the Mulberry Business Park which is expected to be completed on 21 October and planning permission formally granted immediately thereafter.
31. As can be seen from the draft at Appendix 1, the negotiations for the Co-operation Agreement are still at a relatively formative stage. However, it is not anticipated at the current time that any of its contents are likely to contain any matters which would require sanction from cabinet in accordance with Part 3c of the constitution. Subject to progress with the discussions and negotiations, the Co-operation Agreement may lead to the wish for a closer relationship. If this is the case then there will need to be a further report to cabinet explaining the proposal and considering the powers being used at that stage.
32. For the purpose of the Co-operation Agreement, the council has the power to enter into this in accordance with section 111 of the Local Government Act 1972.

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

33. This report recommends that cabinet agree to instruct the Director of Regeneration and Head of Legal Services to complete the Harmsworth Quays Cooperation Agreement consistent with the principles document set out in Appendix 1.
34. The resource implications are contained in paragraphs 26 to 28 of this report and show there are no immediate significant financial implications arising from the adoption of the recommendations. Staff time to effect these recommendations will be contained within existing budgeted revenue resources.
35. Any specific financial implications arising from the final agreement will be included in subsequent reports for consideration and approval.

## **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Canada Water Area Action Plan <a href="http://www.southwark.gov.uk/info/200314/canada_water">http://www.southwark.gov.uk/info/200314/canada_water</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Principles for a co-operation agreement
Appendix 2	Land at Surrey Quays

**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>	James Oates, Principle Valuer		
<b>Version</b>	Final		
<b>Dated</b>	7 November 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>		7 November 2013

## APPENDIX 1

## PRINCIPLES FOR A CO-OPERATION AGREEMENT HARMSWORTH QUAYS REGENERATION

**Parties:** London Borough of Southwark Council  
King's College University  
British Land

**Purpose:** The parties will work together to agree a vision and delivery mechanism for the regeneration of Harmsworth Quays, Surrey Quays Road, SE16 to include a new major campus for King's College.

The parties will enter into an agreement that specifically provides for the following:

1. *Development objectives*

To understand whether a new major campus for King's College is both feasible and deliverable. To understand how this drives other uses for the remainder of the site from both a planning and financial perspective

Once the principles set out in point 1 above have been clarified, the following needs to be agreed.

2. *Duration of Agreement*

The agreement will set milestones and will have a finite duration to encourage the parties to progress the regeneration diligently. However milestones must be flexible to respond to market circumstances and any unforeseen problems that may arise.

Milestones shall be consistent with the programme for the review of the Canada Water Area Action Plan.

3. *Consultation strategy*

This will set out how and who leads consultation with stakeholders that will be affected by the regeneration.

4. *Communications plan*

This will set out how, when and who communicates details of the regeneration as well as a programme of meetings between the parties.

5. *Planning*

The other parties will support the council by providing information for the evidence base as part of the review of the Canada Water Area Action Plan and by engaging constructively with the review generally.

6. *Statutory undertakers' strategy*

The regeneration will require working with and reaching agreements with a range of undertakers statutory undertakers. The strategy will set out the responsibility of the parties in this connection to achieve a comprehensive approach.

7. *Commissioning of professional and technical advice*

To bring forward the regeneration a number of technical and professional reports that can be relied upon by the parties will be commissioned. To minimise costs and unnecessary commissions the parties will agree upon who commissions such reports, their sharing between the parties including obtaining collateral warranties and who pays their cost.



**KEY**

- 1 TGL106589 (2132.6 sq mts)
- 2 TGL135706 (183.7 sq mts)
- 3 TGL59025 (178.0 sq mts)
- 4 TGL359834 (6182.7 sq mts)
- 5 SGL460523 (45465.6 sq mts)
- 5a SGL460523 (1272.0 sq mts)
- 6 SGL480198 (338.6 sq mts)

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**TITLE**

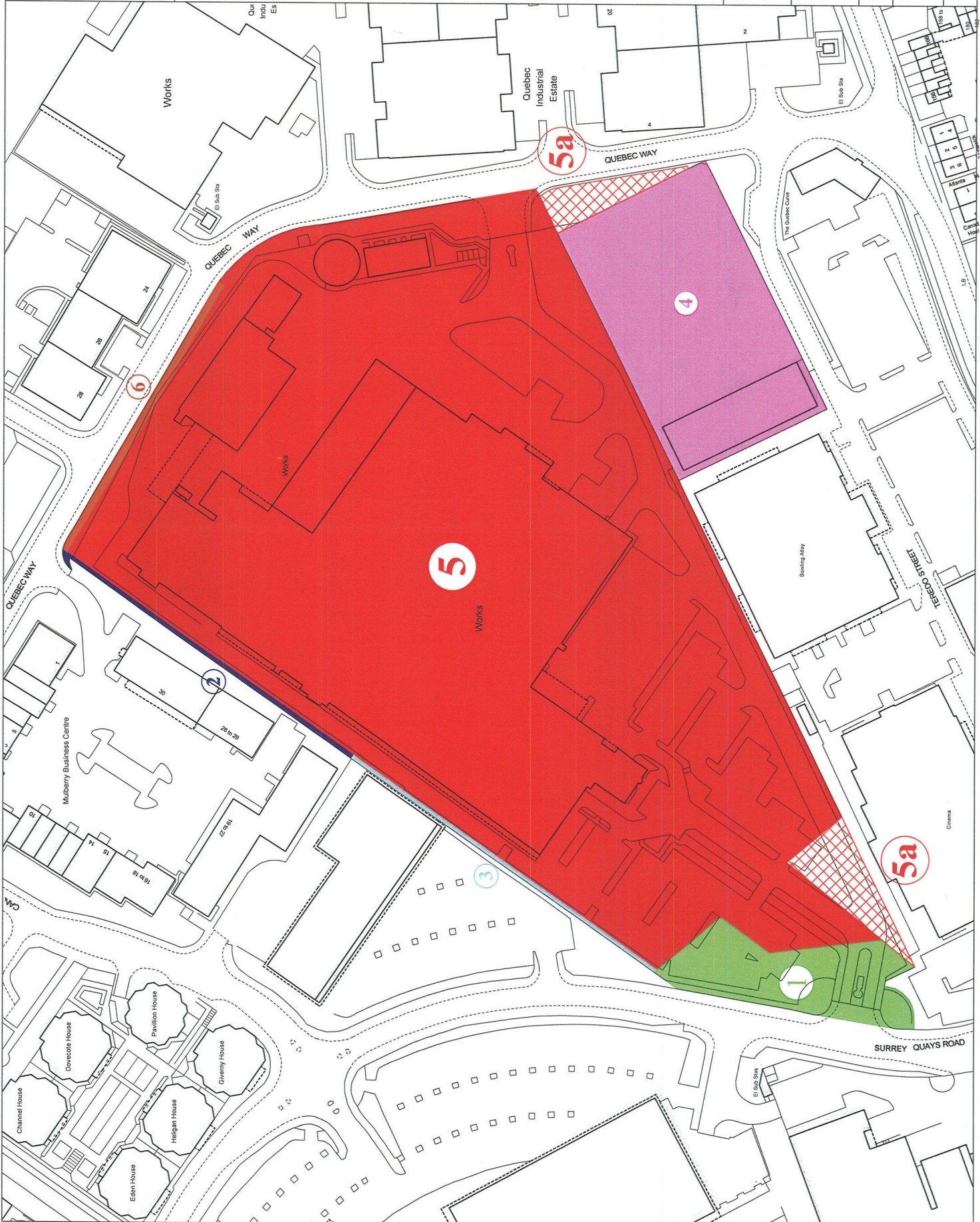
Land at Surrey Quays.

1:1250 @ A3

DRAWING NO.  
LBS\_269 (Layout4)

DRAWN BY  
MIMANKTELOW  
Property Division

DATE  
4/4/2012



<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 19 November 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Revenue Monitoring Report for Quarter 2, 2013/14, including Treasury Management	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

This report sets out the council's performance for its revenue budgets for the first half of the current financial year.

The report demonstrates the results of the efforts that our departments have put in to control spending in these difficult times. As at the end of September, the council has spent £208,000 less than had been anticipated for its general fund. However, there are also some concerns identified by departments of growing spending pressures that will need careful consideration as money becomes far tighter still.

The housing revenue account budget is currently showing a small overall favourable variance of £262,000. Any favourable balance showing at the end of the year will be available for use in future years.

## **RECOMMENDATIONS**

1. That the cabinet notes:
  - the general fund outturn forecast for 2013/14 and forecast net movement in reserves by department;
  - the housing revenue account's (HRA) forecast outturn for 2013/14 and resulting forecast movement in reserves;
  - the treasury management activity for the first six months of 2013/14.
2. That the cabinet notes the forecast performance for the collection of council tax.
3. That the cabinet notes the forecast performance for the collection of business rates and the risks associated with the Business Rate Retention Scheme.
4. The cabinet approves the general fund budget movements that exceed £250,000, as shown in Appendix A.

## **BACKGROUND INFORMATION**

5. The purpose of this report is to provide a forecast for the end of the financial year 2013/14, using predictions based on the experience to date and knowledge as at the end of quarter two (September 2013). Work continues throughout the council to ensure that a balanced position is achieved by the end of the year.

6. The council agreed a balanced general fund budget of £327.8m on 27 February 2013 based on a nil council tax increase, and £6.3m use of reserves, giving a budget of £334.1m. This budget was set in the context of further significant overall cuts in government funding and the identification of some 25% savings proposals over the three years from 2011/12 to 2013/14 to mitigate against the reduction in resources and to continue to fund the council's commitments in terms of services provided.
7. The council also approved budget decisions including reductions of some £25m within general fund for 2013/14. Performance on achieving these savings is closely monitored and details are provided in paragraphs 50 to 52 below.
8. The Council Plan placed local needs and accountability as the drivers of performance improvement, and in an environment of significantly reduced funding, the council has to change in fundamental ways. There are a number of transformation projects underway, and work continues to identify further ways of transforming the delivery of services. These transformation or invest to save projects may be funded from on-going positive variances or previously created earmarked reserves which were established to pump prime initiatives.

#### **Housing revenue account**

9. Cabinet set tenants' rents and service charges on 29 January 2013 in line with the government's prescribed formula. The budget included a £6m savings target for 2013/14. The starting point of this process was to listen to residents' concerns about the services they wish to protect, and identify the potential for better value for money and more efficient ways of working.

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

##### **Current forecast position: General fund**

10. Table 1 below shows the current forecast outturn position for quarter two (as at 30 September 2013) by department. These estimates are based on six months' experience and stringent management action by all strategic directors will continue to ensure that they deliver their services within budget as agreed through the policy and resources strategy in February 2013 by council assembly. Progress for each department is shown in paragraphs 14 to 34 below.

**Table 1: General fund forecast outturn position for 2013/14 as at Q2**

General fund	2013/14 Original budget £'000	Budget movements £'000	2013/14 budget adjustments for movement (to)/from reserves £'000	2013/14 revised budget £'000	2013/14 spend forecast in year £'000	Variance £'000
Children's and adults' services	214,342	(6,864)	0	207,478	207,478	0
Environment and leisure	69,386	3,399	1,905	74,690	74,758	68
Housing and community services	39,524	(1,654)	564	38,434	38,686	252
Chief executive's department	20,566	(1,486)	(5)	19,075	19,070	(5)
Finance and corporate services	42,181	6,605	1,415	50,201	49,678	(523)
Support cost recharges	(57,956)	0	0	(57,956)	(57,956)	0
<b>Total general fund services excluding contingency</b>	<b>328,043</b>	<b>0</b>	<b>3,879</b>	<b>331,922</b>	<b>331,714</b>	<b>(208)</b>
Contingency	5,000	0	0	5,000	0	(5,000)
<b>Total general fund services including contingency</b>	<b>333,043</b>	<b>0</b>	<b>3,879</b>	<b>336,922</b>	<b>331,714</b>	<b>(5,208)</b>
Revenue contributions to capital	0	0	1,398	1,398	1,398	0
Planned appropriations to / from reserves to meet service demands	0	0	(2,083)	(2,083)	(2,083)	0
Planned appropriations to / from reserves for technical accounting purposes	0	0	(1,796)	(1,796)	(1,796)	0
Planned appropriations to / from reserves to meet capital	0	0	(1,398)	(1,398)	(1,398)	0
Planned appropriations from reserves to meet shortfall in budget	(5,271)	0	0	(5,271)	(5,271)	0
<b>General fund total</b>	<b>327,772</b>	<b>0</b>	<b>0</b>	<b>327,772</b>	<b>322,564</b>	<b>(5,208)</b>

**Note:** Explanations of this quarter's budget movements are provided in Appendix A. Q1 movements were reported in Appendix A of the Q1 report.

11. The forecast includes estimates of one off re-organisation and redundancy costs that the council expects to incur as it continues to put into action plans necessary to deliver the ongoing savings identified within the budget. As reported in the 2012/13 revenue outturn report, the council was able to contribute the £5.5m contingency to reserves. If needed, this will be used to support the 2013/14 revenue budget which includes a planned £6.3m contribution from reserves.
12. As shown in Table 1, within services there is a forecast favourable variance of £208k based on the limited information available by the end of September. This takes account of expected movements to and from reserves in relation to services.
13. The budget movements reported in Table 1 are detailed further in Appendix A. This quarter they include a number of adjustments for technical accounting purposes that do not impact on resources available for services. Budget movements completed in Quarter 1 were reported as part of the report to cabinet on 17 September 2013.

#### **Children's & adults' services**

14. Children's and adults' services are forecasting an overall balanced budget of £207.5m for 2013/14. This will require use of earmarked reserves and



management action to mitigate significant financial pressures.

15. Children's social care cost pressures previously reported at quarter one are continuing through this year. The number of children placed in residential care and the number of no recourse to public funds families is continuing to grow <sup>(1)</sup>. This increased activity is placing a significant budget pressure on children's social care. There are now 49 children in residential care (15 more children since April 2013), and 130 families being supported with no recourse to public funds (this has increased by 30% since April 2013, and 100% since the same time last year).
16. The management action being undertaken to address this includes refreshing the adoption strategy, undertaking a foster carer recruitment campaign, reviewing residential placements and a restructure of the no recourse to public funds teams. While the impact of these actions is not immediate, it is intended that they will contain the existing budget pressures.
17. Adults' services are projecting a favourable outturn variance of £3.16m. Clients with no recourse to public funds are 25% higher than the previous year and in addition there are budget pressures in Mental Health placements which are a result of an undelivered savings target for 2013/14. These budget pressures are offset by a favourable budget variance, arising from the Department of Health transformation grants which have been rolled forward from prior years. These one-off monies were being held as contingency against demand pressures. These pressures continue to be managed through a series of modernisation initiatives and investment continues to improve quality.
18. Education and strategy and the commissioning and business improvement directorate are anticipating a balanced budget overall.

### **Schools budget**

19. In 2013/14 the Dedicated Schools Grant (DSG) is £196m. It is anticipated that £2m of this grant will be retained in balances as the allocation in 2013/14 included one-off funding to support the development of eligible two year old places. It is anticipated this will not be fully spent and therefore needs to be rolled forward into future years whilst capacity to deliver this new offer continues to grow.
20. The final pupil premium allocations to schools have recently been released by the Department of Education. In total £15.5m was allocated to Southwark maintained schools and academies.

### **Environment and leisure**

21. The department is projecting a small adverse variance of £68k for the year. However as reported at quarter one, this is due to delay in the reorganisation of

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<sup>1</sup> "no recourse to public funds" means not able to claim most benefits, tax credits or housing assistance that are paid by the state, unless there are exceptional circumstances. Home Office guidance states that exceptional circumstances will exist where the applicant is destitute, or where there are particularly compelling reasons relating to the welfare of a child of a parent in receipt of a very low income.

the wardens and enforcement service which is expected to be completed shortly. The budget will continue to be closely monitored for the remainder of the year with the aim of identifying potential savings that can help to mitigate against this and any other emerging pressures in the department and also inform next year's budget setting. The department has already implemented most of the savings proposed for this financial year.

### **Housing and community services (H&CS)**

22. Housing and community services are forecasting an adverse variance of £252k at quarter two and includes an indicative sum of £64k for redundancy arising from the recent review of the sheltered accommodation service. It is currently assumed this will be met from corporate reserves, unless it can be contained within the total resources available to H&CS. Additionally there are a number of known and potential financial risks, such as the impact of welfare reforms, provision of temporary accommodation and the transfer of the customer service centre in-house.
23. On 1 June 2013 the General Dynamics Information Technology (GDIT) contract ceased and delivery of the customer service centre successfully came in-house. This provides the opportunity to reconfigure and improve customer access and service delivery and drive out substantial savings over the medium-term through operational efficiencies and moving towards more cost effective transaction routes. Transition costs relating to the development and implementation of the new Customer Relationship Manager (CRM) software, telephony and infrastructure upgrades are held separately from the operating account and met from corporate resources. The service is expected to deliver the full-year saving of £3m generated by bringing the service in-house.
24. Some budgetary pressures are expected in the short-term as there are residual contractual costs for the first two months of 2013/14 and legacy systems/ change management commitments, which will fall out over time. Conversely, the phased recruitment of staff to the call centre is likely to realise some compensatory savings. This forecast is based on a number of assumptions and variables which cannot be accurately quantified at this point and whilst management is committed to delivering a balanced budget within the prevailing constraints, the forecast should be viewed with caution.
25. By far the greatest financial risk is around temporary accommodation and this is reflected in the upward movement between quarters one and two. Whilst Southwark is recognised as a leader in homeless prevention, it is simultaneously facing challenges through increased homeless demand and a serious contraction on the supply side. This is particularly acute on housing association leasing schemes as registered providers struggle to maintain the financial viability of schemes, exacerbated by the impact of welfare reforms, including restricting the size of accommodation that housing benefit covers for working age council and housing association tenants (sometimes referred to as 'social sector size criteria', 'bedroom tax', 'under-occupancy charge' or 'spare room subsidy').
26. The anticipated decline in the use of estate voids (in the HRA) is expected to accelerate over the coming months as vacant possession is sought during the early phases of the Aylesbury Estate regeneration programme. This is particularly problematic and will adversely impact the general fund budget as the need to use bed and breakfast will inevitably increase. To some extent this was anticipated through the 2013/14 budget process and corporate reserves have

been earmarked to meet the cost pressure. This will be kept under review and drawn down as required.

### **Chief executive's department**

27. The chief executive's department is reporting a forecast outturn of £19m which is on target with budget.
28. The budget includes £115k that is a draw down from reserves for the Thames Tunnel campaign and an anticipated contribution to earmarked reserves of £120k to meet future costs associated with the council's ongoing modernisation agenda.
29. This forecast takes into account the department's 2013/14 savings target of £520k which is on target to be fully achieved.
30. Budgets will continue to be closely monitored for the remainder of the year and where possible areas of potential savings will be identified to address any emerging budget pressures.

### **Finance and corporate services**

31. Finance and corporate services is forecasting a net expenditure at year end of £49.7m against a total net budget of £50.2m. This forecast favourable variance of £523k takes into account £1.4m of reserves that are expected to be released.
32. The reserves will fund additional costs related to decommissioned properties and re-organisation and redundancy costs. As reported at quarter one, there is a contribution from reserves of £337k for rent equalisation at the Queens Road offices. This technical accounting adjustment re-profiles rent payable to an average rent over a fixed term, taking into account an initial rent free period.
33. The department continues to undergo fundamental restructuring that includes further reviews related to the provision of IT services, further re-organisations of staffing structures across finance and legal services and a review of major corporate facilities management contracts.
34. The 2013/14 base budget savings of £3.8m for the department are projected to be fully achieved. In the event that some individual schemes do not deliver full savings, substitute options will be identified to ensure the overall target is achieved.

### **Public health**

35. From 1 April 2013 the council has new responsibilities to improve the health of residents and reduce health inequalities in Southwark. These Public Health activities are funded through a £21.8m ring fenced grant from the Department of Health.
36. The director of public health fulfills a number of statutory duties including providing professional public health expertise to both Southwark and Lambeth boroughs, clinical commissioning groups and health and wellbeing boards. The budget of £3.1m (within the chief executive's department) covers both the staffing costs for the shared specialist public health team that includes staff transferred from the NHS and a budget held to mitigate for the financial risks

associated with activity/costs for public health.

37. The public health activities are delivered through Children's and Adults' Services and Environment and Leisure. The key service areas are:
- sexual health services including contraception and sexual health advice and testing, £8.1m;
  - improving public health including smoking cessation, exercise referrals, health checks and school nursing, £3.4m;
  - drugs and alcohol misuse services including treatment and intervention services, £7.2m;
  - community sports contribution, £0.1m.

The vast majority of this expenditure is on third party service providers.

38. The overall position at quarter two remains unchanged from quarter one in that it is anticipated that the grant will be fully spent during 2013/14. However in the event that this is not the case, any variance will be set aside in reserves to fund the related expenditure in the following year.

### **Contingency**

39. The 2013/14 budget includes £5m for contingency. This budget is held to meet unforeseen costs that may arise during the year within departments that strategic directors are unable to contain. At this stage in the financial year there are no significant pressures identified against this contingency budget.
40. There is a current assumption of £6.2m contribution from reserves in the 2014/15 budget and any unused contingency would be the first call to support that requirement.

### **Capital**

41. For accounting and control purposes, where it is proposed that reserves are released to meet capital expenditure, they are at first released into revenue and a direct contribution from revenue is then made to capital. Cabinet is asked to approve or note these contributions in Appendix A.

### **Housing revenue account (HRA)**

42. Table 2 below shows the current forecast outturn position for quarter two (as at 30 September 2013), which is broadly neutral incorporating planned contributions to the investment programme and reserves. Pressure to spend on landlord responsibilities for the maintenance and improvement of the housing stock remains constant, but robust contract management and control of high volume, high value budgets, such as repairs, engineering and heating continue to deliver greater value for money to mitigate the demand/cost pressure. The key factors and risks are outlined below.

**Table 2: HRA forecast outturn position for 2013/14 as at Q2**

Services	Net Expenditure		
	Full Year Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000
Operations	(173,814)	(174,387)	(573)
Maintenance & Compliance	46,847	48,273	1,426
Major Works	1,606	1,685	79
Specialist Housing Services	(37,281)	(38,161)	(880)
Strategic & Corporate Services	129,067	128,944	(123)
Customer Experience	1,873	1,856	(17)
Community Engagement	2,129	2,076	(53)
Regeneration Initiatives	1,173	1,052	(121)
Heating Account	12,198	12,198	0
Direct Revenue Funding of Capital	12,727	12,727	0
Appropriations to /(from) Reserves	3,475	3,737	262
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

43. Rent collection performance at week 26 is 98.82% for mainstream tenanted stock. Whilst this is below the budget target, it is an improvement over last year and shows resilience despite the generally weak economic conditions and the impact of the welfare reforms including housing benefit changes (the social sector size criteria) and DWP direct payment pilot. However, risks remain in terms of income collection, and in mitigation the council has set aside £1m within the HRA for Discretionary Housing Payments to council tenants. This will be used towards tenancy sustainment and assisting tenants in adapting to the impact of the welfare reforms.
44. The need for temporary/emergency re-housing of secure tenants is an operational necessity. Demand can be volatile and has exceeded the budget target in recent years. However, new case management arrangements have delivered a dramatic improvement over the last quarter, such that this is now expected to be under budget and offers the prospect of savings going into next year.
45. Disrepair caseload remains a persistent problem and is extremely resource intensive with the costs of administration and compensation forecast to exceed budget. This remains a key management priority and good progress is being made in resolving old cases and managing new caseload which is experiencing some upwards pressure. The aim remains to eliminate claims arising in the first instance through an improved repairs service.
46. Capital service charge billing is linked to the Housing Investment Programme (HIP) and delivery of the works programme each year. Any variations from the anticipated spend or proportion of costs that can be recovered from homeowners impacts on the revenue income assumptions built into the base budget. Whilst the headline forecast remains neutral at this point, there is an underlying expectation that major works income will exceed the budget target.
47. Revenue service charge billing is currently forecast on target. Combined collection performance for capital and revenue service charges at quarter two is above target at £13.9m (including Major Works loans), against the full year cash

target of £23.5m.

48. The ring-fenced nature of the HRA requires that deficits/surpluses are carried forward between years. Reserves have been below the optimum level deemed commensurate with the size of Southwark's combined revenue and capital programmes and represent a financial risk. In line with the medium term resource strategy (MTRS), the council has been seeking to achieve that balance through planned contributions from revenue.
49. At 31 March 2013 reserves increased by £4.3m to £31.8m, of which around 80% are committed. This represents good progress towards restoring balances to a more prudent and sustainable level in order to mitigate future risks, fulfil future commitments already made and enable the transformation and modernisation of services going forward. An estimated £3.7m will be contributed in the current year, in line with expectations.

### Implementation of the 2013/14 budget decisions including agreed budget reductions, savings and efficiencies

50. The council identified £31m budget reductions, including savings and efficiencies for the general fund and housing revenue accounts as part of the 2013/14 budgets. At quarter two there is a projected savings shortfall of £1.1m, as shown in Table 3.

**Table 3: Forecast projection of savings agreed for 2013/14 as at Quarter 2**

Departments	Budgeted 2013/14 savings £'000	Forecast full year 2013/14 savings £'000	Compensa ting / other savings in 2013/14 £'000	Variance £'000
Children's and adults services	(15,390)	(14,290)	(1,100)	0
Environment and leisure	(2,675)	(2,675)		0
Housing services	(490)	(490)		0
Finance & corporate services	(3,767)	(3,767)		0
Chief Executive	(520)	(520)		0
Corporate	(2,000)	(2,000)		0
<b>Total General Fund</b>	<b>(24,842)</b>	<b>(23,742)</b>	<b>(1,100)</b>	<b>0</b>
HRA	(6,033)	(6,033)		0
<b>Total Savings</b>	<b>(30,875)</b>	<b>(29,775)</b>	<b>(1,100)</b>	<b>0</b>

Note: Details of the council savings plans can be found in [the policy and resources report to Cabinet \(12 February 2013\)](#)

51. In the table above, the compensating or other savings identified mean that the total value of savings agreed by the council in setting the 2013/14 budget are still forecast to be achieved.
52. There is an adverse variance for the adults' services savings expected from the service redesign of arrangements for the adult social care role within mental health of £700k. Further, the education services restructure of specialist educational services that occurred in September was later than anticipated resulting in a £400k adverse variance. Both the adults' services and education services adverse variances are offset against compensating favourable variances within these services. The children's social care planned savings totalling £750k resulting from the new framework agreement and increasing the use of in house fostering are both underway. However, the financial benefits of

this are not anticipated to come into effect until towards the end of this financial year. All other savings across both children's and adults' services are on target to be achieved.

### **Reserves**

53. As reported at quarter one the council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are maintained to fund;
- 'invest to save' opportunities, which form part of the modernisation agenda and are expected to deliver future ongoing revenue savings
  - investment in regeneration and development where spend may be subject to unpredictable market and other factors.
  - exceptional items/pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme.
54. Where a department identifies a need for additional funding there is a robust process for seeking support from reserves. The department must demonstrate that they are unable to contain the identified additional pressure within their existing budget. Cabinet will be asked to approve this funding support where the amount is £250k or above.
55. As the year progresses, departments will naturally be better placed to more accurately forecast their outturn position. Any unfavourable variances will be offset by favourable ones at departmental level before the need to call on reserves.
56. The budget approved by council for 2013/14 included a planned release of reserve of £6.3m. This call on reserves provided some flexibility in terms of budget setting and the profile of savings that the council identified in the Policy and Resources Strategy 2011-14. It is currently assumed that this call on reserves will have to be made in full.

### **Business rates retention scheme**

57. As reported at quarter one the localisation of business rates represents a change to the funding regime for local authorities for 2013/14 and beyond. Under this new funding regime actual retained business rates income will be dependent on the assessed rateable values, effect of appeals and collection rates within the borough.
58. As with any change of this significance there has been uncertainty over the operation of the scheme. This 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 resource available and therefore on resources available to fund and to provide services.
59. The business rates retention scheme includes a safety net at 7.5% to protect local authorities from significant reductions in collectable rates. This means that shortfalls from 0.1% to 7.5% will not be protected and will have to be borne by the council.

### Collection fund monitor

60. The collection fund monitor covers both council tax and business rate collection. Table 4 below summarises the estimated account balances for both at 31 March 2014, based on data available to 30 September 2013.

**Table 4: Collection fund account**

<b>Collection Fund Account</b>	<b>Estimated balance as at 31/03/2014 (surplus)/deficit £</b>	<b>Southwark share £</b>	<b>Comments</b>
Council Tax	(2,523,810)	(1,895,381)	75.1% Southwark: 24.9% GLA
Business Rates (NNDR)	514,973	154,492	30% LBS; 20% GLA: 50%CLG
Business Rate Supplements (BRS)	0	0	100% GLA
	<b>(2,008,837)</b>	<b>(1,740,889)</b>	

### Council tax

61. Council tax cash collection is performing well when compared to the same period last year. This is partly due to the changes agreed by the cabinet relating to the discounts and exemptions pertaining to empty properties. It is therefore anticipated despite the additional £2.8m requirement from the 10% reduction in central government support for the council tax reduction scheme; the council will meet its collection fund target for the year. The service is actively pursuing non payers of council tax and is working proactively to assist customers in genuine need of support.
62. The early indications are that the council tax account may make a surplus of £2.5m, of which the council's share would be £1.9m. The current factors behind this forecast are that the council tax collectable has increased compared to the estimate when the council tax was set in January, while at the same time collection performance is estimated to be maintained at a level above the previous year. However the forecast that will be reported at quarter three based on nine months experience will provide a better estimate of the final outturn.

### Business rates

63. The collection rate for business rates is being tracked closely in relation to the council's ability to retain 30% of amounts collected. Previous years' collection and trends are modelled together with intelligence on changes to the net collectable amount through new builds and deletions.
64. Socio economic factors are considered taking into account national issues such as businesses hit by the recession. The council continues to meet with the valuation office agency on a regular basis to understand their approach to managing appeals, although limited information is forthcoming and delays are commonplace (for example, the restaurants within the Shard have taken some



time to get into rating).

65. There are many factors that can affect the levels of collection and the council has sought specialist advice to help determine likely volumes of income from retained business rates. The complexities of projecting the year end position and future years budgetary income have been highlighted by the advisors who continue to work with us to determine reasonable estimates.
66. Part of the Financial Risk Reserve has been set aside to help protect the council from the risks inherent in the new funding system and especially risks underlying business rate retention.
67. At quarter 2, the NNDR account is estimated to make a deficit of £515k, and the council's share of this deficit (30%) is £154k. The deficit balance is due to NNDR income collectable being lower than estimated in January for the NNDR1 setting. The key reasons for this are a reduction in the overall rateable value of properties and an increase in the level of mandatory reliefs awarded. However, the estimate includes £14m provision for NNDR appeals, which may need to be adjusted to correlate with the revised mandatory relief position. If the deficit position is realised at year end, it will not impact on this year's budget but will be distributed as part of the NNDR setting for 2014/15. DCLG has recently announced that they intend to allow the cost of this provision to be spread over the five financial years commencing 2013/14, which may affect the reported deficit at year end. Once the detail of these regulations is available, CIPFA will provide the relevant accounting guidance for 2013/14 and beyond.

### **Business rate supplement**

68. Along with other London boroughs, the council collects a business rate supplement (BRS) of 2p on non domestic properties with a rateable value over £55,000, which is to help pay for the Crossrail project. The BRS is collected on behalf of the GLA, for whom the council acts as a collecting agent. Because of this, the income collected and the associated costs of collection have no impact on the council's finances.

### **Treasury management**

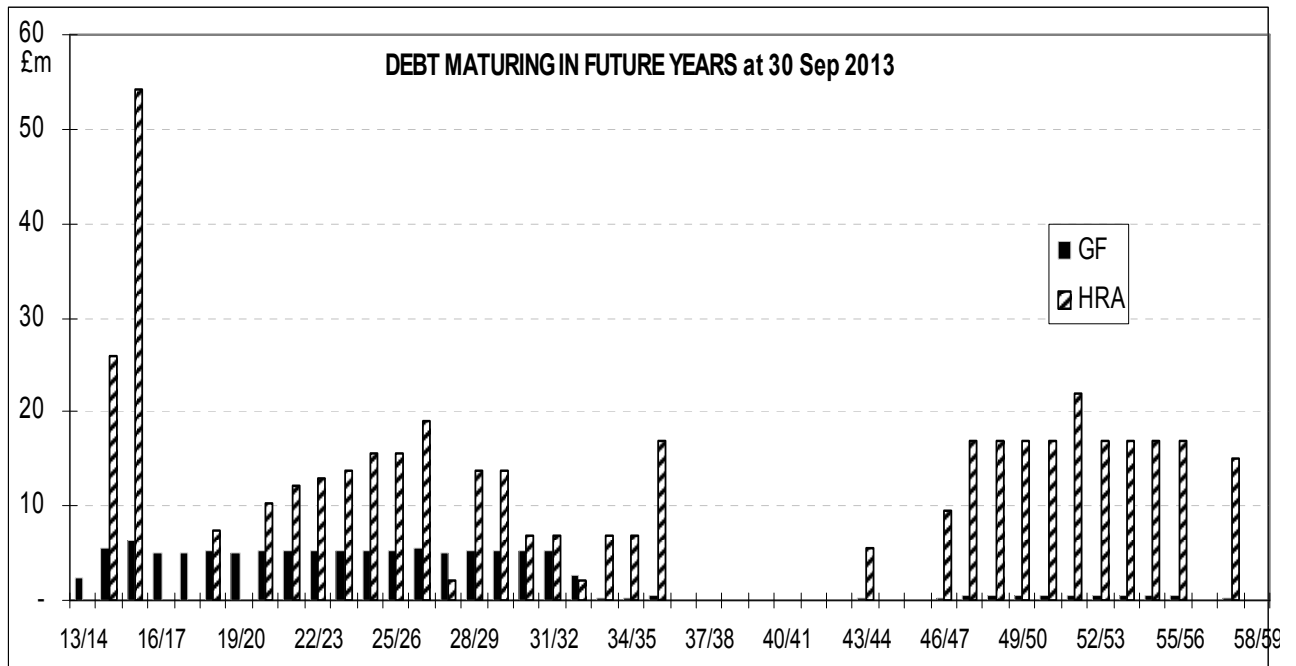
69. The council holds cash in short term money market instruments diversified across major banks and building societies and in bonds and bills issued by the UK government or supranational entities. The investments themselves are managed by an in-house operation and two investment firms: Aberdeen Asset Managers and AllianceBernstein. Capital preservation and liquidity remain priorities. Over the first-half of the year the sum invested averaged £242m and as at 30 September 2013 stood at £231m. The balance with each counterparty and the maturity profile are set out in the tables below. Investments will be liquidated as needed to meet spending over the course of the year.
70. The half-year return to 30 September 2013 was 0.28%, reflecting low UK base rates (0.50%, equivalent to 0.25% over the half-year) and the stimulatory monetary policies which central banks here and abroad still have in place.

**Table 5: Investments with counterparties**

INVESTMENT COUNTERPARTY AND RATINGS - 30 SEP 2013									
Exposure £m	FUND				Fitch Ratings				
COUNTERPARTY	Aberdeen	Alliance Bernstein	In-House	£m	Long	Short	Sup-port	Sovereign	Sovereign Rating
NORDEA BANK FINLAND	5.7			5.7	AA-	F1+	1	FINLAND	AAA
CREDIT INDUST ET COMRCL	3.5			3.5	A+	F1	1	FRANCE	AA+
SOCGEN		1.0		1.0	A	F1	1	FRANCE	AA+
BANQUE NATIONAL DE PARIS		1.0	10.0	11.0	A+	F1	1	FRANCE	AA+
LANDESBANK BADEN WERTMBG		1.0		1.0	A+	F1+	1	GERMANY	AAA
DEUTSCHE BANK		2.0		2.0	A+	F1+	1	GERMANY	AAA
RABOBANK		1.0		1.0	AA	F1+	1	NETHERLANDS	AAA
ING BANK	3.4	1.0	15.0	19.4	A+	F1+	1	NETHERLANDS	AAA
ABN AMRO BANK	3.5	1.0		4.5	A+	F1+	1	NETHERLANDS	AAA
DNB BANK	3.5			3.5	A+	F1	1	NORWAY	AAA
EUROPEAN INV BANK	7.0	6.5		13.5	AAA	F1+		SUPRANATIONAL	AAA
INT BANK RECONST DEVT	3.5	6.8		10.3	AAA	F1+		SUPRANATIONAL	AAA
SVENSKA	3.3		15.0	18.3	AA-	F1+	1	SWEDEN	AAA
SKANDINAVISKA	3.5	1.0		4.5	A+	F1	1	SWEDEN	AAA
CREDIT SUISSE	3.5	1.1		4.6	A	F1	1	SWITZERLAND	AAA
UBS	1.6			1.6	A	F1	1	SWITZERLAND	AAA
NATIONWIDE BSOC	3.3	1.0	10.0	14.3	A	F1	1	UK	AA+
RBS/NATWEST			50.1	50.1	A	F1	1	UK	AA+
UK TREASURY		24.6		24.6	AA+	F1+		UK	AA+
BARCLAYS BANK	5.1	1.0	15.1	21.2	A	F1	1	UK	AA+
LLOYDS BANK			15.1	15.1	A	F1	1	UK	AA+
BNY MELLON	0.1	0.3		0.4	AA-	F1+	1	US	AAA
<b>Total £m</b>	<b>50.5</b>	<b>50.3</b>	<b>130.3</b>	<b>231.1</b>					

Fitch Ratings	Definition
AAA	Highest credit quality
AA+, AA, AA-	Very high credit quality
A+, A	High credit quality
F1	Highest short term credit quality; strongest capacity for timely payment (+donates exceptionally strong credit feature)

71. During the quarter, the financial markets remained sensitive to developments in the United States and the timing of any moderation in stimulus as its economy improved. This led up to upward pressure on long term interest rates in the US and other major developed economies including the UK. Despite the rise, long term rates remain close to historical lows and tempered somewhat by central banks forward guidance on policy rates. The Bank of England has indicated that, barring unforeseen developments, it expects base rates to remain low until the unemployment rate declined to 7%. Provided rates remain low, loans falling for repayment over the next few years can be replaced with cheaper loans as they fall due.
72. The balance outstanding on loans taken to fund past capital spend was £560m at 31/3/2013 and is divided between the HRA (£451m) and the General Fund (£109m). £5m general fund loans falls for maturity in 2013/14 and £2.5m of it was paid off in April 2013. The sums falling as maturities in the future are set out in the chart below. The general fund can finance its 2013/14 maturing obligations from the minimum revenue provision that the council sets aside each year to reduce debt. No HRA debt matures until 2015 and as it currently has no provisions for debt repayment, the maturities will need refinancing by their due date. However, should the HRA set aside sums to reduce debt in the future, it too would see its refinancing requirement fall.



### Community impact statement

73. This report monitors expenditure on council services, compared to the planned budget agreed in February 2013. Although this report has been judged to have nil or a very small impact on local people and communities, the projected expenditure it is reporting reflects plans designed to have an impact on local people and communities. Community impact was considered at the time the services and programmes were agreed. It is important that resources are efficiently and effectively utilised to support the council's policies and objectives.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
2013/14 Revenue Monitoring: Quarter 1 report to Cabinet 17 September 2013	160 Tooley Street London SE1 2QH	Vernon Smith 020 7525 7355  <a href="http://moderngov.southwark.gov.uk/documents/s40377/Report%20Revenue%20Monitoring%20Quarter%201.pdf">http://moderngov.southwark.gov.uk/documents/s40377/Report%20Revenue%20Monitoring%20Quarter%201.pdf</a>
Policy and Resources 2013/14 - 2015/16: cabinet 12 February 2013	160 Tooley Street London SE1 2QH	Vernon Smith 020 7525 7355  <a href="http://moderngov.southwark.gov.uk/documents/s35390/Report%20Policy%20and%20Resources%20201314%20to%20201516.pdf">http://moderngov.southwark.gov.uk/documents/s35390/Report%20Policy%20and%20Resources%20201314%20to%20201516.pdf</a>

**APPENDICES**

No.	Title
Appendix A	Budget movements to be approved, £250,000 and above and movements to be noted.

**AUDIT TRAIL**

<b>Cabinet member</b>	Councillor Richard Livingstone, Finance, Resources and Community Safety	
<b>Lead officer</b>	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
<b>Report author</b>	Jennifer Seeley, Deputy Finance Director	
<b>Version</b>	Final	
<b>Dated</b>	7 November 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	N/a	N/a
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		7 November 2013

**BUDGET MOVEMENTS****APPENDIX A****BUDGET MOVEMENTS TO BE APPROVED FOR QUARTER 2**

<b>Department from</b>	<b>Amount £'000</b>	<b>Department to</b>	<b>Amount £'000</b>	<b>Reason</b>
Finance and corporate services	(4,846)	Environment and leisure	4,846	Update to the depreciation budgets based on 2012/13 outturn
Children's and adults services	(4,519)	Finance and corporate services	4,519	Technical adjustment to remove IAS19 budgets.
Children's and adults services	(4,111)	Finance and corporate services	4,111	To locate the NHS funding income budget in children's and adult services
Finance and corporate services	(2,008)	Children's and adults services	2,008	Update to the depreciation budgets based on 2012/13 outturn
Appropriations - technical	(1,796)	Environment and leisure	1,796	Technical release of reserve related to the smoothing of costs over the life cycle of the waste PFI project
Environment and leisure	(1,739)	Finance and corporate services	1,739	Technical adjustment to remove IAS19 budgets.
Chief Executives	(1,200)	Finance and corporate services	1,200	Technical adjustment to remove IAS19 budgets.
Chief Executives	(877)	Finance and corporate services	877	Transfer of the Comensura agency contract budget
Appropriations - capital	(825)	Direct revenue funding of capital	825	Release of reserve for road and bridge repairs and park walls
Appropriations	(697)	Finance and corporate services	697	Decommissioned properties
Housing and community services	(638)	Finance and corporate services	638	Technical adjustment to remove IAS19 budgets.
F&CS	(494)	Chief Executives	494	Update to the depreciation budgets based on 2012/13 outturn
Appropriations	(481)	Housing and community services	481	Costs associated with the termination of the lease for Cotton Centre

<b>Department from</b>	<b>Amount £'000</b>	<b>Department to</b>	<b>Amount £'000</b>	<b>Reason</b>
Appropriations	(381)	Finance and corporate services	381	Additional costs incurred as a result of re-organisation and restructuring within the department
Appropriations - capital	(379)	Direct revenue funding of capital	379	Cost associated with the delivery of the Burgess Park BMX track, part of the contribution to the Olympic legacy in Southwark.
Appropriations	(337)	Finance and corporate services	337	Rental smoothing Queens Road

**BUDGET MOVEMENTS TO BE NOTED FOR QUARTER 2**

<b>Department from</b>	<b>Amount £'000</b>	<b>Department to</b>	<b>Amount £'000</b>	<b>Reason</b>
Finance and corporate services	(200)	Environment and leisure	200	Contribution to Veolia to cover a proportion of the cost of the London Living Wage requirement as part of the Waste PFI contract.
Appropriations - capital	(124)	Direct revenue funding of capital	124	Release of reserve for Kennington Open Space Lighting
Chief Executives	(120)	Appropriations	120	Resources set aside to fund ongoing commitments to the modernisation agenda.
Appropriations	(115)	Chief Executives	115	Release of reserve request is to meet exceptional costs associated with the campaign to oppose the Thames Tunnel
Appropriations	(109)	Environment and leisure	109	Additional night time cleaning and bulky waste/fly tipping removal to support economic development
Children's and adults services	(92)	Environment and leisure	92	Transfer of domestic violence contract budget and service to community safety
Appropriations	(83)	Housing and community services	83	Armed forces day
Appropriations - capital	(70)	Direct revenue funding of capital	70	Release of reserve for parks lighting
Children's and adults services	(64)	Finance and corporate services	64	Salary transfer to corporate facilities management to secure gold standard service level agreement for Curlew and Talfourd
Children's and adults services	(54)	Housing and community services	54	Transfer of adults services complaints function to customer resolution
Housing and community services	(50)	Chief Executives	50	Funding for human resources following customer service centre returning in house

<b>Department from</b>	<b>Amount £'000</b>	<b>Department to</b>	<b>Amount £'000</b>	<b>Reason</b>
Children's and adults services	(32)	Finance and corporate services	32	Salary budget transfer to corporate facilities to secure gold standard service level agreement for Sumner Road
Finance and corporate services	(23)	Housing and community services	23	Update to the depreciation budgets based on 2012/13 outturn



<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 19 November 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Quarterly Capital Monitoring Report Quarter 2 and Capital Programme Refresh 2013-21	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

This report sets out the council's expenditure for the first half of 2013/14 on its capital programme, comparing this to budgets and projecting year-end spend by department. It also asks cabinet to agree funding variations set out in Appendix C.

Departments are currently working on proposals for the next refresh of the capital programme. These will be considered by cabinet along with the capital monitoring report for the third quarter of 2013/14, due in January 2014.

### **RECOMMENDATIONS**

That cabinet:

1. Notes the general fund capital programme for the period 2013/14 to 2021/22 as at Quarter 2 2013/14, as detailed in appendices A and D.
2. Notes the housing investment programme for 2013/14 and future years as at Quarter 2 2013/14, as detailed in Appendix B
3. Approves the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C, including the updated budget requirement for Phases 1 and 2 of the Aylesbury regeneration programme, as reflected in paragraphs 100-106.
4. Approves the re-profiling of the expenditure and resources for 2013/14 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D as at Quarter 2 2013/14 and note that further re-profiling will be required during the year based on more up to date information available at that time.

### **BACKGROUND INFORMATION**

5. With a total forecast spend of approximately £794m the current capital programme represents a major element of the council's financial activities. It has a significant and very visible impact on the borough and hence on the lives of those who live, learn, visit and or do business in the borough.

6. The Quarter 1 2013/14 capital monitor report indicated that expenditure of £9.9m had been incurred on the general fund capital programme against a budget of £96.3m. This represented a spend of just over 10% to budget as at Quarter 1 and a small favourable variance of £2m was projected against the budget for the year at that point.
7. The Quarter 1 2013/14 capital monitor report also reflected a spend of £10.2m on the Housing Investment Capital programme against a budget of £120.5m which represented a spend 8.5% against the budget for the year.
8. Due to the size and scale of the capital programme and the number of projects involved, it is inevitable that unforeseeable delays can occur which lead to some variations against planned spend. Historically the capital programme has been over programmed in year to compensate for these variations, whilst retaining a balanced programme overall.
9. Robust and continued monitoring of numerous schemes across the departmental capital programme and the complexities of managing the capital programmes of this magnitude will inevitably lead to some variations in the budgeted expenditure which requires re-profiling of the budgets.
10. This report sets out the re-profiled budget and forecast outturn position for 2013/14 and future years for the General Fund and the Housing Investment Programme (HIP) as at Quarter 2 2013/14.

## **KEY ISSUES FOR CONSIDERATION**

### **General Fund Capital Spend**

11. The Quarter 2 capital monitor report indicates that expenditure of £23m incurred against a re-profiled budget of £95.3m showing a spend of 24% to budget on the general fund capital programme. The summary position and the programme details by departments are reflected in Appendices A and D respectively.

### **Housing Investment Programme Spend**

12. The 2013/14 budget as at Quarter 2 has been re-profiled, taking into account the latest information available on contract procurements, scheme progress and possible slippages. The total re-profiled budgets on the Housing Investment Programme for 2013/14 is £131.2m and the projected expenditure for 2013/14 as at Quarter 2 is £128.2m. The majority of the expenditure on the Housing Investment Programme relates to the numerous works on the Warm, Dry and Safe programmes which is forecast to spend £80m in 2013/14. Details of the schemes and budgets within the Housing Investment Programme are reflected in Appendix B.

### **Resource implications**

13. The council's capital resources come from a variety of sources, which were detailed in the Q1 report to cabinet in September 2013, and are comprised of the following:

- capital receipts from disposal of property
  - grants
  - external contributions
  - section 106 contributions
  - housing major repair reserve
  - contributions from revenue
  - contribution from reserves
  - internal borrowing
  - external borrowing
14. The capital programme is influenced by resource timing and availability. Over the life of the programme, all commitments must be met from anticipated resources. The final funding requirement in each year will be based on the final actual expenditure, and will seek to maximise the use of grants and other funding sources, prior to the use of capital receipts. Regular monitoring and formal reporting regulates the programme and mitigates cash flow and funding risks and officers undertake regular reviews as part of the process for preparing monthly and quarterly monitors to assess income to date, forecasts and changes.
15. Each department forecasts its programme as accurately as possible to minimise the need for re-profiling. Where this does occur, the requirement is flagged as early as possible and budgets re-profiled in line with anticipated spend. Given the general complexity of capital projects, it is common to see some variation in the profile of the actual programme against the forecast. The impact of this is mitigated through regular formal monitoring, departmental reviews and access to a resource base wide enough to cope with change.
16. In developing and managing its capital programme the council has to maintain clear control on the selection and use of resources to finance capital expenditure. Strategies for investments, borrowing and treasury management facilitate this control and assist the council to have clear strategic direction on its use of resources, to identify new resources or to make changes to the use of resources at an organisational level as projects complete or new projects appear.

### **Section 106 and Community Infrastructure Levy (CIL)**

17. The Quarter 1 report explained Section 106 (S106) agreements, otherwise known as a planning obligations, and the Community Infrastructure Levy (CIL)
18. A draft charging schedule was published in April 2013, followed by consultation. The council is working towards a 2014 adoption date for its own CIL. The capital programme will be subject to future refresh and pending finalisation of the charging schedule for CIL this may be used to support appropriate schemes.

### **New Homes Bonus**

19. The Quarter 1 report explained the New Homes Bonus (NHB). In accordance with a cabinet decision of 21 June 2011 that all NHB resources not committed to the revenue budget (currently all but £1.5m) should be allocated to corporate resources to fund future capital expenditure.

20. The same level of revenue commitment was at that time assumed in forecasts for future years to 2016/17 and the balance to be allocated to capital. There are, however, changes expected in the financing arrangement for the New Bonus Scheme in 2013/14 and this will be reviewed as part of the future revenue budget setting process.

#### **Contributions from earmarked reserves**

21. The Quartet 1 report explained the use of the three reserves which have relevance for funding the capital programme:
- modernisation reserve supports one-off expenditure or multi-year projects designed to modernise and further improve the operational efficiency of Southwark's service provision.
  - the regeneration and development reserve funds one-off expenditure and multi-year projects delivering regeneration and development across the borough. Relevant projects include the Aylesbury Estate Regeneration, Canada Water, and Elephant & Castle Regeneration.
  - compliance and planned preventative maintenance reserve which may be used to support activities upgrading the wider council estate in line with legislative and/or preventative maintenance requirements.

#### **Capital receipts**

22. The quarter 1 report explained the council's ten-year disposals programme. Planned disposals generate capital receipts which the council can use as a funding source to finance capital expenditure.
23. The disposals programme is subject to ongoing review by officers to mitigate the risk of funding unavailability due to timings or amounts received in year. The capital receipts forecasts together with other sources of funding will be monitored on a regular basis for funding the capital programme. In the event that in-year funding generated by disposals is insufficient to meet the level of expenditure, alternative short term sources of funding may need to be accessed or projects deferred or re-profiled. Short term sources of funding include use of earmarked reserves and/or accelerating the disposals programme.
24. As at the end of Quarter 2 2013/14, £7.3m and £4.5m had been received from the housing and general fund receipts respectively.

#### **Capital grants**

25. The Quarter 1 report explained the use of a range of capital grants to fund capital expenditure. In each case grant funding conditions of some form should be met to demonstrate that grants have been applied for the purposes given and audit trails are maintained.
26. At the end of Quarter 2 2013/14, £22.6m grant had been received including £14.3m of education related grants and £5.9m secured through S106 agreements.

### **Programme position at Quarter 2 2013/14**

27. Attached at Appendix A is a summary of the general fund programme position as at Quarter 2 of 2013/14. This shows a total expenditure budget of £337.2m budgeted over the programme from 2013/14 to 2021/22.
28. Attached at Appendix B is a summary of the housing investment programme position as at Quarter 2 of 2013/14. This shows a total expenditure budget of £531.8m over the programme for 2013/14 and future years.
29. Appendix C provides details of the budget virements and variations arising in quarter 2 of 2013/14.
30. Appendix D shows a more detailed view of the general fund programme on individual projects or groups of projects over the period 2013/14 to 2021/22.
31. This programme position will continue to be monitored and reviewed over the remainder of the financial year and the final outturn position will be reported to cabinet.

### **Departmental updates**

32. The sections below provide commentary on the budget position by departments for 2013/14.

### **GENERAL FUND (APPENDIX A)**

#### **Children's and Adults' Services**

33. In summary, the capital programme at Quarter 1 across Children's and Adults' Services is £102.5m; with an annual 2013/14 budget of £19.2m. The total programme for future years has reduced by £6.5m to £96m following the purchase of the Anchor Trust leases last financial year. Expenditure incurred to date is £3.5m and the forecasted expenditure for 2013/14 is £15.5m.

#### Children's Services

34. The revised capital programme for 2013/14 to 2021/22 is £88.8m. The annual budget for 2013/14 is £15.8m; expenditure incurred to date is £3.5m and the forecasted expenditure for 2013/14 is £14.4m.
35. Of the £3.5m expenditure at Quarter 2, £1.6m is for Southwark Park Primary School new build school opening next year. The major permanent expansion at Lyndhurst School has entered into contract and so far, expenditure of £900k has been incurred. Over the summer holidays, temporary expansion took place at 9 schools and the costs for the £2.5m budget will mostly fall into Quarter 3. The £750k budget in 2013/14 for works at Cherry Garden School has been re-profiled to 2014/15 as a result of ongoing consultation.
36. There continues to be pressure for primary school places and a report was submitted to cabinet in July 2013 detailing the emerging primary strategy for places, the available funding and the emerging funding gap of around £16m for

phase two of the programme in 2016/17.

#### Adults' Services

37. The revised capital programme at Quarter 2 is £7.2m. The annual budget for 2013/14 is £3.4m and the forecast expenditure for 2013/14 is £1.1m. A variation funded from reserves of £500k is added to the Centre of Excellence to increase the budget to £2.5m
38. The main areas of capital investment for 2013/14 are for the refurbishment of Orient Street, the refurbishment of the Brandon Trust properties and the development of plans for the development of the Centre of Excellence.

#### Southwark Schools for the Future

39. The capital programme for 2013/14 to 2021/22 is £47m. The annual budget for 2013/14 is £12.9m and the forecast spend is £12.5m.
40. The largest area of spend in 2013/14 will be for the schools at St Michael's and All Angels (SMAA) site which incorporates the new Highshore Special School.
41. The expenditure at quarter two is £5.9m of which £5.7m is for SMAA/Highshore construction works.

#### Finance and Corporate Services

42. The capital programme of this department focuses on two key areas: Information Technology (IT) infrastructure projects and premises-related improvements to council buildings. The total departmental capital programme stands at £21.9m.
43. The departmental capital budget for 2013/14 is £6.97m and expenditure of £1.2m has been recorded at the end of Quarter 2. Total spend for the year is forecast to be on budget.
44. The council has engaged a new IT Managed Service provider which will be delivering a series of core enabling projects to modernise provision of IT services to the council. Total spend in 2013/14 is expected to be £4.5m and is funded by corporate resources.
45. The procurement of a new Corporate Facilities Management (CFM) services provider was approved by cabinet and the contract commenced in February 2012 for a five-year contract period. To address future Facilities Management capital requirements, a bid of £10.25m was approved by cabinet in the capital programme refresh in 2012. This reflects the anticipated cost of undertaking a comprehensive planned preventative maintenance and compliance programme on council property fabric from 2014/15. It is anticipated that this work will be funded through a combination of corporate resources and reserves. The work follows an earlier phase where the council undertook work to its front-line premises to ensure compliance with the Disability Discrimination Act.

## Environment & Leisure

46. The Departmental Capital Review Board continues to scrutinise the forecasts of all projects and their profiling at end of each Quarter to check their robustness and arrive at a more realistic estimate of expenditure for the year.
47. Environment and leisure department's latest approved capital budget for 2013/14 is £25.1m against the projected spends of £18.9m, giving an overall favourable variance of £6.3m to be carried forward into 2014/15.
48. Total approved E&L capital programme and projected spend from 2013/14-2021/22 is £90m.
49. In addition, the budgets of Housing Renewals (£22.5m) previously shown under Housing General Fund is now reflected under E&L, following the transfer of management arrangements across the departments and this is reflected in Appendix C. An update on the current programmes within the Housing Renewal areas and any significant issues arising from the monitoring will be reported at the next quarter.

## Sustainable Services

50. The budget of £2.3m for Integrated Waste Solutions Programme & Southeast London Combined Heat & Power (SELCHP) for the current financial year 2013/14 is mainly S106 items and retention sums for the access road contract. The planning related costs, which may be payable to planning and highway authorities (LBS and TfL), are conditional on the results of a number of road traffic surveys, which have taken place in the last 12 months. The financial implications of the outcome of the surveys may not be immediate and the budgets may have to be held for a while longer. The bulk of the funding has therefore been moved to 2014/15 and beyond.

## Public Realm

51. Cleaner Greener Safer (CGS) forecast for 2013/14 is £2.4m. This is an increase of 21% on the 2012/13 final outturn. This reflects an enhanced focus on delivering these projects.
52. The Non Principal Road (NPR) Programme is forecast to achieve a full spend, except for a slippage of £300k forecasted on Community Council devolved funding where the decisions have been delayed.
53. The Burgess Park BMX track project was completed and opened to the public in August 2013. The project was delivered within budget.
54. Work has commenced on the delivery of the next phase of the cemetery strategy to create further burial spaces at Camberwell new cemetery and Camberwell old cemetery. Some of the expenditure is however, forecasted to be carried forward as a result of delays to the design process.
55. The majority of schemes under the parks and public realm projects programme are expected to be completed by 31 March 2014 within the allocated budget.

The deferral of funds to the new year includes retention payments and £200k earmarked for possible boreholes for water supply which requires further agreement with the Environment Agency.

#### Culture Libraries Learning and Leisure

56. Olympic Legacy Fund - This capital programme was a provision of £2m over 2 years for the Southwark 2012 Olympic capital legacy fund with an objective to invest in capital projects that support a lasting Olympic and Paralympic legacy. The project will improve access to and increase participation in physical activity and encouraging the development of the Olympic values in the borough's communities. Almost all the projects have now been completed. The main exception is the Southwark Park Athletics Track, which requires consideration at the next capital refresh in order to agree the approach to be taken.
57. A phased approach is being taken to investing in Peckham Pulse. Phase one works will be undertaken in Quarters three and four this year and will consist of major life cycle issues being addressed. This includes air conditioning works which have already commenced. Phase two will include works on the spa suite, café and reception areas – all of which need upgrading or replacing and these will be delivered in 2014/15.
58. Following a virement agreed at the last quarter, a budget has been identified to carry out works at the Livesey building and address a number of important structural issues
59. Implementation of RFID equipment (Radio Frequency Identification) at Dulwich and Peckham was completed in 2012/13. RFID funding for Camberwell Library is now needed in 2014/15 rather than 2013/14 to tie in with new dates for completion of the construction programme. RFID for Newington is budgeted for in 2014/15 – it is anticipated that this will still be needed to install RFID in to a medium term alternative site for this library.
60. The Thomas Calton Centre refurbishment commenced in late 2012/13 and will complete in 2013/14. The works are to address longstanding maintenance issues to the roof and fabric of the building. Spend is profiled over 2 years for this project.
61. Work at Pynners sports ground continues and it is anticipated that it will be completed during the current financial year.

#### Community Safety

62. The CCTV project is well underway and has to date, repaired and replaced systems on 9 estates, installed new systems on 4 estates and installed new redeployable cameras on 6 estates. This equates to an additional 121 CCTV cameras which are now recorded and monitored from the central CCTV control room affording access to 312 CCTV cameras. This represents approximately 68% completion of programmed works. The unit is confident the project is on course to be completed by 31 March 2014 and within the allocated resources.



### Chief Executive's Department

63. The capital budget for Chief Executive's department over the period 2013/14-2021/22 has increased from £56.4m to £57.8m since the Quarter 1 monitor was presented to cabinet. The increase is due to the transfer of £1.4m General Fund budget from Housing department, following the transfer of management arrangements for Housing/Area Renewal projects. The £1.4m will be managed by the Planning Projects team to deliver a range of projects in the Nunhead and Queens Road areas.
64. The Nunhead element of the budget will support the current programme of projects funded through the GLA Outer London Fund. Works include shop front improvements due to commence on site this year and associated public realm works. The Queens Road budget will supplement works to the shop fronts and the improvements currently underway on Queens Road Station over the next two years.
65. For the current financial year, the department is forecasting an expenditure of £20.7m, a reduction of £4.3m from the Quarter 1 report. This movement is explained below
66. The planning projects team (formerly framework and implementation) within planning division has a budget of £5m with forecast expenditure of £2.2m for 2013/14, and £2.8m for 2014/15. A number of public realm and streetscape improvement projects are on site. The Nunhead Outer London Fund (OLF) schemes, partly funded by GLA grant, are progressing with the pop-up shop now let to the second tenant as a gallery. The festival programme is well underway and Nunhead green consultation is progressing well. The shop front improvements have been tendered and are due to commence on site in this year.
67. The team is currently undertaking the final snagging of Legible London wayfinding system in Bankside and Bermondsey to agree the final account. As part of the Bermondsey Spa programme, Abbey Street improvement works are complete and opened on 11 October 2013
68. Lamb Walk public realm improvements have been completed in part. The full completion of the scheme will be dependent upon an adjacent private development. Whites Ground skate park refurbishment has restarted on site following the Network Rail Thameslink works. Other projects that have started on site this quarter include improvement works to the bridge at Ewer Streets, shop fronts in Queens Road, the triangle site in Tooley Street, Alice Street redesign and resurfacing, Nelson Square redesign and Copperfield Street open space improvements.
69. Transport planning has a budget of £16.1m with forecast expenditure of £5.6m in 2013/14, and the balance of £10.5m profiled for 2014/15 and 2015/16. In addition to the delivery of key regeneration projects such as Gateway to Peckham and Revitalise5 Camberwell, a number of transport improvement projects are either complete or underway. Two of the priority streets

(Kennington Park Place and Adys Road) from the better pavement programme are now complete.

70. Implementation has also begun on improvements to Forest Hill Road. Electric Vehicle Charging Bays have been delivered and the lift works at Queens Road Peckham station are in progress.
71. A number of schemes are currently being consulted on including East Dulwich Grove, Rotherhithe New Road. Greendale and Paxton Green schemes have been developed to design stage. Workshops for the Pocket Places in Peckham are now complete and this scheme is entering design stage.
72. Technical assessment and transport modelling is progressing on the Revitalise5 Camberwell project and concept designs prepared for the Pocket Spaces project. Additional funding was granted by Transport for London to deliver a number of schemes from bus stop accessibility to additional cycle parking.
73. The Regeneration division has a budget of £36.7m with forecast expenditure of £12.9m in 2013/14 and £23.8m for 2014/15 and 2015/16. The construction of £20m leisure centre in Elephant & Castle as part of the regeneration is progressing with completion currently scheduled for 2015.
74. Public realm improvement works around Bermondsey Spa are going on as scheduled. Grange Yard road adoption project has been delayed slightly due to legal issues around the ownership of the land and rights of other landowners. This is currently being resolved while the design phase of the project is progressing
75. The council's office accommodation programme is progressing with development for a generic office fit out at Queens Road 2. The site will deliver 86 workstations spread over four floors. The main construction works commenced on 22 July and is progressing on schedule. Practical completion is scheduled for end of November 2013 with occupancy expected to commence in January 2014. The decommissioning of Southwark Town Hall is in the final stages and revised disposal arrangements are now in place

### **Housing General Fund**

76. The majority of the budgets previously reflected under Housing General Fund are now shown under the Environment and Leisure and Chief Executive's departments, following the transfer of management arrangements across the departments. These budgets relate mainly to the Housing Renewals and Area Renewal Improvement works managed by the respective departments.
77. This transfer of budget and management arrangements is reflected in Appendix C for approval and going forward, these budgets will be monitored and reported against the departmental capital monitoring arrangements.
78. The General Fund budgets remaining within the Housing Department equates to £1.4m and relates to the travellers' site and Affordable Housing Fund.

### Travellers' Sites

79. A budget of £1.4m is currently profiled for 2013/14 but spend is difficult to predict due to a current legal dispute between Southwark and Network Rail over responsibility. The budgets will be profiled against the expected spend once this issue is resolved.

### Affordable Housing Fund (AHF) - 122-148 Ivydale Road:

80. A budget of £455k is budgeted for 2013/14 and the scheme consists of 7 social rent units on the Family Mosaic development to provide 14 new homes of mixed tenure in Nunhead. This is part funded by the AHF and is due for completion in quarter 4. The first payment of £682k was paid to Family Mosaic at the start of the works with the balance of £455k due following handover. Being street properties, the scheme has been run in 2 phases due to the need to exit the site to complete construction of the last 2 properties. There has been a delay of 12 weeks due to urgent works required to make the boundary wall to Nunhead cemetery, sited to the rear of the development, safe.

### Housing Investment Programme (HIP)

81. The Housing Investment Programme consists of a series of works to Housing Revenue Account properties, which are detailed in Appendix B. Progress on this programme are summarised as follows;

### Warm Dry and Safe (WDS)

82. Despite the delayed start to the programme and the mutual conclusion of two of the partnering contracts, spend target for 2012/13 WDS was achieved and a spend target of £80m has been set for 2013/14 as the programme continues to accelerate. Spend in quarter 2 has continued to be steady with £27m spent. The programme is still forecasting to spend to the target with many of the WDS 2013 major works schemes and WDS 2014 major works brought forward schemes due to start in the second half of the year. Accurate long term forecasting has proved challenging as the extent of works required in meeting the WDS standard is generally higher than the provision made in the programme.
83. The 2 year programme is now all on site and due to complete this year. The 2 year programme is currently behind schedule mainly due to the delayed decision by Lands Tribunal in December 2011 and replacing of Wates and Breyer (partnering contractors) following the mutual conclusion of those contracts. The replacement of the contractors will mean that that the programme has incurred additional overall costs that are being met from the WDS contingency fund.
84. The majority of schemes in WDS 2012 major works schemes are on site. Due to the mutual conclusion of the Breyer contract, the Brandon estate schemes will start this financial year, with the first scheme on site at the end of quarter 2. The Dickens estate previously under Wates will also be on site in the current financial year. The agreed costs for the schemes are higher than estimated in the stock condition survey and the WDS contingency fund is being used to meet the budget shortfall.

85. All the WDS 2013 major works schemes are expected on site this year with the exception of the WDS works at Aylesbury, due to the phasing of the regeneration programme. Acorn is also on hold but will follow on from completion of regeneration heating works. Tustin will also be delayed to 2014/15 due to the potential cost of delivering this scheme.
86. £14.9m of works from future years have been brought forward to start in 2013/14 using the Decent Homes Backlog funding.
87. We expect the trend of schemes requiring more resources than the stock condition survey estimate to continue, so the contingency in the programme is expected to be inadequate to complete the programme. The 18 October cabinet report allowed for £29m of backlog funding towards the Housing Investment Programme. In June 2013 cabinet approved the additional £48.8m of backlog funding that was not accounted for in the original resources planned for the programme to be 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 this year will formally request for any additional resources, for the completion of the Warm, Dry and Safe programme. The budget adjustments including the above allocation of £48.8m are reflected in Appendix C.
88. Both the Four Squares and Hawkstone WDS/HINE schemes have started on site with the external packages due to start later in the year. Abbeyfield is due to start on site in 2014/15.
89. The £4m individual heating budget is expected to fully spend by year end as it is ahead of schedule. The remaining WDS district heating schemes programmed up to 2013/14 are expected to be on site this year. The 2015/16 WDS district heating schemes are being brought forward to start in early 2014/15.
90. All high rise blocks with a substantial risk from the fire risk assessments have been completed as part of the FRA Programme. The majority of the higher moderate risk high rise blocks are also complete except for works being completed to coincide the WDS programme. Gloucester Grove and Netley have also been added to the programme and are currently being funded from the WDS contingency budget. 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. A paper has been prepared for approval for the additional resources required to address the substantial risks identified.
91. 1,451 homes fell into non-decency at the start of this financial year (2013/14) meaning the Decency level fell from 60.31% at 2012/13 year end to 56.49%. The overall level of decent homes at the end of quarter 2 was 58.12%, which is only a small rise due to the low number of completions in the first half of the year.

92. As more schemes are one site and completing in the second half of 2013/14 there is expected to be a larger net rise in the levels homes meeting the decency standard.

#### Other Programmes

93. The budgets across the Housing Investment Programme have been reviewed and re-profiled in line with previously approved budgets and this is reflected in Appendix C

#### Housing Adaptations

94. The referral rate for adaptations received is on target at 315. The current target for adapted properties to be completed this year is 255.
95. The adaptations to council stock completed to end of September 2013 includes level access, wet floor showers, over bath showers, stair lifts and wheelchair user ramps to 128 properties and 9 conversions of void properties to wheelchair or mobility standard.

#### Cash Incentive (Home Purchase Grant) Scheme

96. Some favourable variances to budget is expected in 2013/14 due to a number of factors including the competition with the Right to Buy and the resulting churn as well as ongoing difficulties with tenants obtaining mortgages and being able to locate suitable homes on the open market.
97. A further increase in the current budget is expected as a result of a successful bid made to the GLA for match-funding and this will be profiled within the budgets once confirmed. The council is currently awaiting relevant contractual documentation from the GLA for senior management sign-off. In addition to the current budgets, the match funding from the GLA in particular will enable SHS to open the scheme to a much wider audience, particularly to 2-bed occupiers by increasing grant levels to compete with the statutory RTB scheme, whilst maintaining the number of grants/re-lets.
98. In addition, as part of a recent Cabinet Member for Housing IDM on the SmartMove scheme, SHS has also requested for an 'in principle' agreement from the member to the use of CIS resources to run a small subsidiary scheme for secure tenants wanting to relinquish their tenancy and move into private/social renting outside the borough. This together with the proposal to open the general cash incentive scheme up to two bed occupiers will be subject to separate reports for formal member approval.

#### Housing Investment Board

99. Budget proposals for some schemes within the Housing Investment Programme were reviewed and agreed at the Housing Investment Board meetings and these are also reflected in Appendix C for approval.

## Housing Regeneration - Aylesbury

100. The procurement of a development partner for the regeneration of the Aylesbury Estate is progressing well and it is expected that a recommendation for the appointment of a preferred bidder will come to cabinet in January 2014. Subject to this approval, it is planned that a Development Partnership Agreement will be signed in April 2014.
101. This agreement will provide the framework for the redevelopment of the whole Aylesbury Estate over a 20 year period. It is proposed that the council will fund the land assembly costs and then grant long leases of individual sites to the partner who will fund and build the new development which will deliver over 3500 new homes. It is expected that the developer will pay the council for the land on a site by site basis.
102. Land assembly for the whole estate, including phases 1 to 4 is estimated to take 15 years and includes the re-housing of tenants, the buy back of all non-council owned interests including residential leaseholders and the demolition of the existing blocks.
103. The cost analysis produced by Grant Thornton indicates that the cost of the land assembly for Phases 1 and 2 of the Aylesbury regeneration programme for the period 2013/14 to 2019/20 is estimated to be £76.7m. The budget variation relating to the above total costs of £76.7m for phases 1 and 2 is reflected in Appendix C for approval. The total budget of £76.7m is also reflected in Appendix B and the budget profile for the years will be updated as the schemes progresses.
104. In addition to the above costs, the council would also wish to buy back as many leasehold interests as possible by agreement for phases 3 and 4 at an early stage in the regeneration process and an updated position on the budget requirement for these costs is expected to be included in the Quarter 3 capital monitoring and capital refresh report in early 2014.
105. It is also expected that the cost of the land assembly for the whole estate including phases 3 and 4 will be incorporated in the capital programme refresh process expected in early 2014 for cabinet approval.
106. Although it is difficult to quantify at this stage, it is expected that land receipts in later years will generate significant income for the council that should offset the total land assembly costs being incurred by the council in the early stages of the regeneration programme.

## Resource re-profiling

107. The budgets across the capital programme have been profiled based on the latest information as at Quarter 2 2013/14. However, due to the size of the capital programme and the number of projects involved, it is inevitable that unforeseen delays can occur leading to some variation against planned expenditure. Some of the forecasts will require further re-profiling as the programme will be subject to on-going review by service managers during 2013/14 in terms of expected spend for the year based on the latest information available on procurement and contract management issues.

### **Community impact statement**

108. This report describes the current capital position on the council's capital programme .The projected expenditure reflects plans designed to have a beneficial impact on local people and communities, which will be considered at the time the services and programmes are agreed. It is important that resources are used efficiently and effectively to support the council's policies and objectives.
109. Each project within the capital programme will be considered with regard to its impact on age, disability, faith/religion, gender, race and ethnicity and sexual orientation.
110. The council's capital programme is designed to deliver projects of value to local people.

### **Resource implications**

111. This report forms part of the council's budget framework and outlines the current position on the capital programme.
112. Staffing resources are generally contained within the council's current establishments and where additional or specialist resources are needed these will be subject to separate reports.

### **Legal implications**

113. The legal implications of this report are identified in the concurrent report of the Director of Legal Services.

### **Financial implications**

114. This report fully explores the financial implications of the capital programme for the general fund and the housing investment programme at Quarter 2 of 2013/14. The report presents the capital programme over the period 2013/14 to 2021/22 where predicted resources are sufficient to meet anticipated spend.

### **Consultation**

115. Consultation on the overall programme has not taken place. However, each of the individual projects is subject to such consultation as may be required or desirable when developed. Some projects may require more extensive consultation than others, for example projects with an impact on the public realm. Projects funded by grant or s106 may require consultation as a condition of funding.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Legal Services

116. The council has a duty to maintain a balanced budget throughout the year and, accordingly, members are required to regularly monitor the council's financial position. Section 28 of the Local Government Act 2003 imposes a duty on the council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in the original budget calculations. The council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.
117. The capital programme satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Quarter 1 Capital Monitor Report to 17 September 2013 cabinet	160 Tooley Street London SE1 2QH	<a href="http://modern.gov.southwark.gov.uk/documents/s40379/Report%20Quarter%201%20Capital%20Monitor.pdf">http://modern.gov.southwark.gov.uk/documents/s40379/Report%20Quarter%201%20Capital%20Monitor.pdf</a>

## APPENDICES

No.	Title
Appendix A	General fund summary monitoring position
Appendix B	Housing investment programme summary monitoring position
Appendix C	Budget virements and variations at quarter 2 2013/14
Appendix D	General fund capital programme details



**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Richard Livingstone, Finance, Resources and Community Safety	
<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
<b>Report Author</b>	Jay Nair, Senior Finance Manager, Finance and Corporate Services	
<b>Version</b>	Final	
<b>Dated</b>	7 November 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 for Finance and Corporate Services.	N/a	N/a
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	7 November 2013	

# APPENDIX A

## General Fund Capital Programme Summary – 2013/14 at Quarter 2

Department	2013/14			2014/15			2015/16+			Total Programme 2013/14-21/22		
	Budget	Spend to date	Forecast	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget @ 01/04/2013	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adult Services	19,205	3,485	15,493	64,514	68,226	3,712	12,250	12,250	0	95,969	95,969	0
Southwark Schools for the Future	12,971	5,944	12,469	9,311	9,793	482	24,731	24,751	20	47,013	47,013	0
Finance and Corporate Services	6,972	1,190	6,972	2,488	2,488	0	12,499	12,499	0	21,959	21,959	0
Environment	29,322	4,435	23,035	19,830	26,117	6,287	63,886	63,886	0	113,038	113,038	0
Housing General Fund	1,473	83	1,473	0	0	0	0	0	0	1,473	1,473	0
Chief Executive	25,367	7,952	20,699	27,982	32,640	4,658	4,422	4,432	10	57,771	57,771	0
<b>TOTAL</b>	<b>95,310</b>	<b>23,089</b>	<b>80,141</b>	<b>124,125</b>	<b>139,264</b>	<b>15,139</b>	<b>117,788</b>	<b>117,818</b>	<b>30</b>	<b>337,223</b>	<b>337,223</b>	<b>0</b>
<b>FINANCED BY:</b>												
Corporate Resource Pool	20,928	13,517	20,928	50,997	50,997	0	108,571	108,571	0	180,496	180,496	0
Major Repairs Allowance	0	0	0	0	0	0	0	0	0	0	0	0
Supported Borrowing	0	0	0	0	0	0	0	0	0	0	0	0
Reserves	4,818	349	2,645	2,800	4,973	2,173	3,251	3,251	0	10,869	10,869	0
Revenue	1,410	0	1,210	0	200	200	0	0	0	1,410	1,410	0
Capital Grants	37,618	8,773	35,850	60,446	62,214	1,768	47,068	47,068	0	145,132	145,132	0
Section 106 Funds	11,024	400	10,081	4,956	5,899	943	4,905	4,905	0	20,885	20,885	0
External Contributions	1,106	50	1,106	0	0	0	50	50	0	1,156	1,156	0
Internal Borrowing	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>76,904</b>	<b>23,089</b>	<b>71,820</b>	<b>119,199</b>	<b>124,283</b>	<b>5,084</b>	<b>163,845</b>	<b>163,845</b>	<b>0</b>	<b>359,948</b>	<b>359,948</b>	<b>0</b>
Forecast variation (under)/over	18,406	0	8,321	4,926	14,981	10,055	(46,057)	(46,027)	30	(22,725)	(22,725)	0

## HRA Capital Programme Summary – 2013/14 at Quarter 2

## APPENDIX B

Programme	Project description	2013/14				2014/15		
		Budget	Spend to date	Forecast	Variance	Budget	Forecast	Variance
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Warm dry and safe	WDS carry-over schemes	730	731	908	178	97	97	0
	WDS 2-year programme	22,440	9,353	22,763	323	3,952	3,952	0
	WDS 2012 major works	12,008	4,503	12,221	213	4,133	4,133	0
	WDS 2013 major works	4,718	150	5,082	364	22,438	22,439	1
	WDS 2014 major works	4,828	447	5,545	717	21,130	21,130	0
	WDS 2015 major works	125	0	125	0	8,000	8,000	0
	FRA works	3,433	1,029	3,584	151	1,421	1,421	0
	Additional FRA Works	0	0	0	0	2,300	2,300	0
	M&E electrical	209	188	473	264	922	922	0
	M&E heating	7,252	2,575	7,253	1	9,825	9,826	1
	M&E lifts	1,964	777	1,963	(1)	2,530	2,530	0
	WDS voids works	4,150	1,599	3,987	(163)	4,000	4,000	0
	WDS Leathermarket JMB	1,090	0	1,090	0	1,100	1,100	0
	WDS Unallocated Budget	12,034	668	10,101	(1,933)	24,731	24,731	0
		0	0	0	0	0	0	0
		0	0	0	0	0	0	0
	HINE schemes	HINE WDS works	14,109	4,757	13,786	(323)	13,643	13,644
HINE additional works		300	0	300	0	16,300	16,300	0
		0	0	0	0	0	0	0
Regeneration	Aylesbury Estate PPM works	4,381	1,241	4,381	0	2,192	2,192	0
	Aylesbury Estate regeneration	7,094	816	6,609	(485)	7,556	7,556	0
	Bermondsey Spa refurbishment	1,000	109	196	(804)	0	0	0
	East Dulwich Estate	1,894	103	1,791	(103)	1,000	1,000	0
	Elmington Estate	2,581	827	2,581	0	2,000	2,000	0
	Heygate Estate	7,897	612	6,484	(1,413)	10,714	10,714	0
	Hidden Homes	296	197	296	0	300	300	0
	Hostels new build	1,200	106	1,200	0	1,331	1,331	0
	Local authority new build	612	320	612	0	0	0	0
	Misc regen, acquisitions and home loss	1,073	120	1,073	0	150	150	0
		0	0	0	0	0	0	0
Other programmes	Adaptations	2,159	914	2,159	0	2,000	2,000	0
	Affordable housing through commuted sums	0	0	0	0	0	0	0
	Cash incentive scheme	276	112	276	0	232	232	0
	Digital switchover	204	194	204	0	0	0	0
	Disposals costs	454	38	454	0	500	500	0
	Energy	0	0	0	0	200	200	0
	Environmental / play areas	0	0	0	0	0	0	0
	Fire damage reinstatement	107	30	107	0	1,000	1,000	0
	FRA Works Street Properties	3,600	0	3,600	0	0	0	0
	Group repairs	0	0	0	0	272	272	0
	Hostels accommodation	1,396	525	1,396	0	718	718	0
	Leasehold / freehold acquisitions	525	10	525	0	300	300	0
	Major voids	1,000	174	1,000	0	1,000	1,000	0
	Office accommodation	0	0	0	0	0	0	0
	Scheme management costs	1,000	913	1,000	0	1,000	1,000	0
	Security	0	0	0	0	0	0	0
	Sheltered accommodation	606	44	606	0	0	0	0
	T&RA halls	465	157	465	0	501	501	0
	Heating Energy Efficiency Measures	2,000	0	2,000	0	2,000	2,000	0
<b>TOTAL</b>		<b>131,210</b>	<b>34,339</b>	<b>128,196</b>	<b>(3,014)</b>	<b>171,488</b>	<b>171,491</b>	<b>3</b>
<b>FINANCED BY:</b>								
Corporate Resource Pool		29,428	0	29,428	0	0	0	0
Housing receipts		25,900	3,890	25,900	0	22,400	22,400	0
Depreciation charge (MRA)		46,800	23,400	46,800	0	47,500	47,300	0
Major Repairs Reserve (MRR)		21,000	0	21,000	0	6,700	6,700	0
Revenue Contribution		14,900	0	14,900	0	14,900	14,900	0
New Homes Bonus		800	0	800	0	700	700	0
Grants (DH backlog funding)		14,100	7,050	14,100	0	50,700	50,700	0
Section 106 Funds		0	0	0	0	0	0	0
External Contributions		2,603	0	2,603	0	0	0	0
<b>TOTAL RESOURCES</b>		<b>155,531</b>	<b>34,340</b>	<b>155,531</b>	<b>0</b>	<b>142,700</b>	<b>142,700</b>	<b>0</b>
<b>Forecast variation (under)/over</b>		<b>(24,321)</b>	<b>(1)</b>	<b>(27,335)</b>	<b>(3,014)</b>	<b>28,788</b>	<b>28,791</b>	<b>3</b>

## HRA Capital Programme Summary – 2013/14 at Quarter 2

Programme	Project description	2015/16			2016/17-			
		Budget	Forecast	Variance	Budget	Forecast	Variance	
		£'000	£'000	£'000	£'000	£'000	£'000	
Warm dry and safe	WDS carry-over schemes	0	0	0	0	0	0	
	WDS 2-year programme	0	0	0	0	0	0	
	WDS 2012 major works	0	0	0	0	0	0	
	WDS 2013 major works	4,568	4,567	(1)	0	0	0	
	WDS 2014 major works	13,367	13,367	0	0	0	0	
	WDS 2015 major works	19,941	19,940	(1)	0	0	0	
	FRA works	0	0	0	0	0	0	
	Additional FRA Works	0	0	0	0	0	0	
	M&E electrical	967	967	0	0	0	0	
	M&E heating	4,293	4,293	0	0	0	0	
	M&E lifts	773	773	0	0	0	0	
	WDS voids works	4,000	4,000	0	0	0	0	
	WDS Leathermarket JMB	1,100	1,100	0	0	0	0	
	WDS Unallocated Budget	24,400	24,400	0	0	0	0	
		0	0	0	0	0	0	
		0	0	0	0	0	0	
	HINE schemes	HINE WDS works	569	568	(1)	0	0	0
		HINE additional works	6,398	6,398	0	0	0	0
	0	0	0	0	0	0		
	0	0	0	0	0	0		
Regeneration	Aylesbury Estate PPM works	1,149	1,149	0	0	0	0	
	Aylesbury Estate regeneration	8,301	8,301	0	53,749	53,749	0	
	Bermondsey Spa refurbishment	0	0	0	0	0	0	
	East Dulwich Estate	0	0	0	0	0	0	
	Elmington Estate	446	446	0	0	0	0	
	Heygate Estate	1,017	1,017	0	0	0	0	
	Hidden Homes	300	300	0	0	0	0	
	Hostels new build	1,328	1,328	0	0	0	0	
	Local authority new build	0	0	0	0	0	0	
	Misc regen, acquisitions and home loss	150	150	0	0	0	0	
		0	0	0	0	0	0	
		0	0	0	0	0	0	
Other programmes	Adaptations	2,000	2,000	0	0	0	0	
	Affordable housing through commuted sums	0	0	0	0	0	0	
	Cash incentive scheme	232	232	0	0	0	0	
	Digital switchover	0	0	0	0	0	0	
	Disposals costs	500	500	0	0	0	0	
	Energy	200	200	0	0	0	0	
	Environmental / play areas	0	0	0	0	0	0	
	Fire damage reinstatement	200	200	0	0	0	0	
	FRA Works Street Properties	0	0	0	0	0	0	
	Group repairs	0	0	0	0	0	0	
	Hostels accommodation	737	737	0	0	0	0	
	Leasehold / freehold acquisitions	300	300	0	0	0	0	
	Major voids	1,000	1,000	0	0	0	0	
	Office accommodation	250	250	0	0	0	0	
	Scheme management costs	1,000	1,000	0	0	0	0	
	Security	300	300	0	0	0	0	
Sheltered accommodation	306	306	0	0	0	0		
T&RA halls	500	500	0	0	0	0		
Heating Energy Efficiency Measures	0	0	0	0	0	0		
<b>TOTAL</b>		<b>100,592</b>	<b>100,589</b>	<b>(3)</b>	<b>53,749</b>	<b>53,749</b>	<b>0</b>	
<b>FINANCED BY:</b>								
Corporate Resource Pool		0	0	0	0	0	0	
Housing receipts		7,900	7,900	0	76,700	76,700	0	
Depreciation charge (MRA)		46,426	46,426	0	278,000	278,000	0	
Major Repairs Reserve (MRR)		6,700	6,700	0	6,700	6,700	0	
Revenue Contribution		12,900	12,900	0	77,300	77,300	0	
New Homes Bonus		900	900	0	1,173	1,173	0	
Grants (DH backlog funding)		0	0	0	0	0	0	
Section 106 Funds		0	0	0	0	0	0	
External Contributions		0	0	0	0	0	0	
<b>TOTAL RESOURCES</b>		<b>74,826</b>	<b>74,826</b>	<b>0</b>	<b>439,873</b>	<b>439,873</b>	<b>0</b>	
<b>Forecast variation (under)/over</b>		<b>25,766</b>	<b>25,763</b>	<b>(3)</b>	<b>(386,124)</b>	<b>(386,124)</b>	<b>0</b>	

## HRA Capital Programme Summary – 2013/14 at Quarter 2

Programme	Project description	Total Programme 2013/14 - 16/17+		
		Total Budget @ 01/04/2013		Total Forecast Total Variance
		£'000	£'000	£'000
Warm dry and safe	WDS carry-over schemes	827	1,005	178
	WDS 2-year programme	26,392	26,715	323
	WDS 2012 major works	16,141	16,354	213
	WDS 2013 major works	31,724	32,088	364
	WDS 2014 major works	39,325	40,042	717
	WDS 2015 major works	28,066	28,065	(1)
	FRA works	4,854	5,005	151
	Additional FRA Works	2,300	2,300	0
	M&E electrical	2,098	2,362	264
	M&E heating	21,370	21,372	2
	M&E lifts	5,267	5,266	(1)
	WDS voids works	12,150	11,987	(163)
	WDS Leathermarket JMB	3,290	3,290	0
	WDS Unallocated Budget	61,165	59,232	(1,933)
		0	0	0
		0	0	0
	HINE schemes	HINE WDS works	28,321	27,998
HINE additional works		22,998	22,998	0
		0	0	0
Regeneration		0	0	0
	Aylesbury Estate PPM works	7,722	7,722	0
	Aylesbury Estate regeneration	76,700	76,215	(485)
	Bermondsey Spa refurbishment	1,000	196	(804)
	East Dulwich Estate	2,894	2,791	(103)
	Elmington Estate	5,027	5,027	0
	Heygate Estate	19,628	18,215	(1,413)
	Hidden Homes	896	896	0
	Hostels new build	3,859	3,859	0
	Local authority new build	612	612	0
	Misc regen, acquisitions and home loss	1,373	1,373	0
		0	0	0
		0	0	0
Other programmes	Adaptations	6,159	6,159	0
	Affordable housing through commuted sums	0	0	0
	Cash incentive scheme	740	740	0
	Digital switchover	204	204	0
	Disposals costs	1,454	1,454	0
	Energy	400	400	0
	Environmental / play areas	0	0	0
	Fire damage reinstatement	1,307	1,307	0
	FRA Works Street Properties	3,600	3,600	0
	Group repairs	272	272	0
	Hostels accommodation	2,851	2,851	0
	Leasehold / freehold acquisitions	1,125	1,125	0
	Major voids	3,000	3,000	0
	Office accommodation	250	250	0
	Scheme management costs	3,000	3,000	0
	Security	300	300	0
	Sheltered accommodation	912	912	0
T&RA halls	1,466	1,466	0	
Heating Energy Efficiency Measures	4,000	4,000	0	
<b>TOTAL</b>		<b>457,039</b>	<b>454,025</b>	<b>(3,014)</b>
<b>FINANCED BY:</b>				
Corporate Resource Pool		29,428	29,428	0
Housing receipts		132,900	132,900	0
Depreciation charge (MRA)		418,526	418,526	0
Major Repars Reserve (MRR)		41,100	41,100	0
Revenue Contribution		120,000	120,000	0
New Homes Bonus		3,573	3,573	0
Grants (DH backlog funding)		64,800	64,800	0
Section 106 Funds		0	0	0
External Contributions		2,603	2,603	0
<b>TOTAL RESOURCES</b>		<b>812,930</b>	<b>812,930</b>	<b>0</b>
<b>Forecast variation (under)/over</b>		<b>(355,891)</b>	<b>(358,905)</b>	<b>(3,014)</b>

Funded virements and variations for approval

	Children's Services	Adult Social Care	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme - up to 2015/16	Housing Investment Programme - 2016/17+	Total Programmed Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Quarter 1 report	88,824	13,670	47,013	21,959	89,254	25,435	56,399	342,554	328,159	670,713
<b>BUDGET AS AT 2013/14 Q1</b>	<b>88,824</b>	<b>13,670</b>	<b>47,013</b>	<b>21,959</b>	<b>89,254</b>	<b>25,435</b>	<b>56,399</b>	<b>342,554</b>	<b>328,159</b>	<b>670,713</b>
<b>New Bids approved at Q1</b>										
Children's Services										
Finance and Corporate Services										
Environment										
Adult Social Care										
Chief Executive										
<b>BUDGET AS AT 2013/14</b>	<b>88,824</b>	<b>13,670</b>	<b>47,013</b>	<b>21,959</b>	<b>89,254</b>	<b>25,435</b>	<b>56,399</b>	<b>342,554</b>	<b>328,159</b>	<b>670,713</b>
<b>CHANGES IN DEPARTMENTAL RESPONSIBILITY</b>										
Housing Renewal and Area Improvement					22,544	(23,982)	1,418			
<b>RESTRUCTURED BUDGETS</b>	<b>88,824</b>	<b>13,670</b>	<b>47,013</b>	<b>21,959</b>	<b>111,798</b>	<b>1,473</b>	<b>57,817</b>	<b>342,554</b>	<b>328,159</b>	<b>670,713</b>
<b>Q2 - Virements to be approved</b>										
AHDC (Short Breaks for Disabled Children Grant) 2011/12	(25)							(25)		(25)
OLF Burgess Park BMX track										
Transformation of Adult Care Accommodation		(500)								(500)
Centre of Excellence										
St Anthony's major exp & refurb to 2 to PCP 1A 11-12 bulge of	(22)							(22)		(22)
Bessener Grange Primary School										
<b>Total virements to be approved at Qtr 2</b>	<b>(25)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROGRAMME FUNDED VARIATIONS</b>										
<b>Q2 - Variations to be approved</b>										
Connect 2										
Livsey Museum										
Peckham Eye Station rediscovering Grand Staircase										
Highway Infrastructure Improvements										
Highway Infrastructure Improvements										
S106 Queens Road CPZ Project										
Winchester										
Queens Road (SF27)										
Belldenden Area										
Estate Cycle Parking										
Long Lane										
Bus Stop Accessibility										
Cycling										
Regeneration Area Schemes										
DWEC System-aid Accord Upgrade										

## Funded virements and variations for approval

	Children's Services	Adult Social Care	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme - up to 2015/16	Housing Investment Programme - 2016/17+	Total Programmed Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Principal Road Renewal							(26)	(26)			(26)
Corridors, Neighbourhoods & Supporting Measures							(48)	(48)			(48)
Major Schemes							(32)	(32)			(32)
Car Clubs Programme							(15)	(15)			(15)
Local Transport Funding							(18)	(18)			(18)
Cycling on Greenways Programme							(17)	(17)			(17)
CPZ Kerbside Re-use							(20)	(20)			(20)
Crystal Palace Parade							60	60			60
Central London Grid							3	3			3
The Blue (SF15)							0	0			0
Southampton Way 1							0	0			0
Southampton Way 2							0	0			0
Crosswalk Avenue (SF33)							3	3			3
Herne Hill (SF38 & SF39)							0	0			0
Gibbon Road (SF29)							0	0			0
Long Lane							(6)	(6)			(6)
Lordship Lane (SF45)							(2)	(2)			(2)
Brandon Estate (SF21)							(4)	(4)			(4)
New Kent Road							(6)	(6)			(6)
ILRE-Additional Bid							11	11			11
Southwark Bridge Rd / Webber St Junction							0	0			0
Marshalsea Road Lighting							0	0			0
Mint Street Park & Bankside Openspace Trust Improvements							0	0			0
Thrale Street Signage							(1)	(1)			(1)
Winchester Palace Gardens/Bankside Urban Park Projects							1	1			1
Bermondsey Spa and Grange Road Environs							0	0			0
St James Road Area Improvements							0	0			0
Weber St Public Realm Improvements							0	0			0
Transformation of Adult Care Accommodation		(7,000)					0	(7,000)			(7,000)
Centre of Excellence			500				500	500			500
Funding switch - Finance & Corporate Resources				0			0	0	260		260
WDS carry-over schemes									192		192
WDS 2-year programme									1,901		1,901
WDS 2012 major works									3,268		3,268
WDS 2013 major works									(9,654)		(9,654)
WDS 2014 major works									(4,969)		(4,969)
WDS 2015 major works									(3,551)		(3,551)
FRA works									3,363		3,363
M&E electrical									34		34
M&E heating									(18)		(18)
M&E lifts									(645)		(645)
WDS voids works									13,337		13,337
WDS Unallocated Budget									2,193		2,193
HINE WDS works									80		80
Aylesbury Estate PPM works									17		17
Bermondsey Spa refurbishment									472		472
East Dulwich Estate									159		159
Local authority new build									221		221
Adaptations									204		204
Cash incentive scheme											
Digital switchover											

### Funded virements and variations for approval

	Children's Services	Adult Social Care	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme - up to 2015/16	Housing Investment Programme - 2016/17+	Total Programmed Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Bids agreed by Housing Investment Board</b>											
Misc redev. acquisitions and home loss											
FRA Works Street Properties									400		400
Sheltered accommodation									3,600		3,600
Additional FRA Works									565		565
Heygate Estate									9,600		9,600
WDS Unallocated Budget									5,648		5,648
Amesbury Regeneration									48,800		48,800
										53,749	53,749
<b>Total to be approved at Q2</b>	0	(6,500)	0	0	1,215	0	(46)	(5,331)	75,126	53,749	123,544
<b>REVISED BUDGETS</b>	88,798	7,170	47,013	21,958	113,038	1,473	57,771	337,223	403,285	53,749	794,257
<b>VARIATIONS REQUESTED TO BE APPROVED</b>											
<b>FINANCED BY:</b>											
Capital Receipt		(2,000)		1,000	105		0	(895)	75,126	53,749	127,980
Major Repairs Allowance											0
Reserves		(4,500)		(1,000)	1,017			(4,483)			(4,483)
Revenue											0
Capital Grant											0
Section 106 Funds	(25)				12		(101)	(114)			(114)
External Contribution					81		55	136			136
Internal Borrowing											0
											0
<b>TOTAL RESOURCES</b>	(25)	(6,500)	0	0	1,215	0	(46)	(5,356)	75,126	53,749	123,519



## General Fund Capital Programme Details

## APPENDIX D

Capital Programme 2013/14 - 2021/22	Children's & Adult Services-Children's Services			
Description of Programme / Project	2013/14	2014/15	2015/16+	Total
	£'000	£'000	£'000	£'000
Children's Centres	242	0	0	242
3 Primaries	5,231	3,500	679	9,410
Cherry Garden Special School	750	10,564	1,150	12,464
Lynhurst expansion and refurbishment	2,469	2,998	0	5,467
Rotherhithe (BSF)	0	0	10,000	10,000
Primary Temporary Expansion	2,555	0	0	2,555
Carbon Reduction in schools	376	500	0	876
Capital Works for Free Healthy School Meals	247	0	0	247
Other primary projects	1,226	0	0	1,226
Youth Services Projects	205	352	0	557
Peckham One O'clock Club	400	370	0	770
Troubled Families	100	300	0	400
Misc projects & primary strategy programme	515	19,500	421	20,436
DfE Basic Needs and Maintenance Grants	765	22,043	0	22,808
Other grant allocations	741	600	0	1,341
<b>Children's Services Total</b>	<b>15,822</b>	<b>60,727</b>	<b>12,250</b>	<b>88,799</b>
Capital Programme 2013/14 - 2021/22	Children's & Adult Services-Adult Services			
Description of Programme / Project	2013/14	2014/15	2015/16+	Total
	£'000	£'000	£'000	£'000
Southwark Resource Centre	233	42	0	275
Adult PSS Capital Allocations	1,050	2,145	0	3,195
Transformation of Adult Care Accommodation	0	0	0	0
Transformation of Learning Disability Care	600	600	0	1,200
Centre of Excellence	1,500	1,000	0	2,500
<b>Adult &amp; Social Care Total</b>	<b>3,383</b>	<b>3,787</b>	<b>0</b>	<b>7,170</b>

## General Fund Capital Programme Details

Capital Programme 2013/14 - 2021/22	Southwark Schools for the Future			
Description of Programme / Project	2013/14	2014/15	2015/16+	Total
	£'000	£'000	£'000	£'000
Walworth Academy	368	0	0	368
St Michaels and All Angels (SMAA) & Highshore	10,444	0	0	10,444
St Michael's PFI	407	0	0	407
New School Aylesbury	148	827	0	975
Rotherhithe (CW new school)	0	0	19,622	19,622
Notre Dame (VA)	430	0	0	430
Bredinghurst / KS3 SILS	101	6,668	0	6,769
ICT	934	1,816	70	2,820
Contingency & Retention payments	139	0	5,039	5,178
<b>Southwark Schools for the Future Total</b>	<b>12,971</b>	<b>9,311</b>	<b>24,731</b>	<b>47,013</b>
Capital Programme 2013/14 - 2021/22	Finance and Corporate Services			
Description of Programme / Project	2013/14	2014/15	2015/16+	Total
	£'000	£'000	£'000	£'000
Information Services	361	266	919	1,546
Upgrade of IT infrastructure	5,000	0	0	5,000
Property Works Programme	328	0	450	778
Works to Council Buildings - DDA	283	422	880	1,585
Essential upgrade of Carefirst system	1,000	1,800	0	2,800
PPM & Compliance Programme	0	0	10,250	10,250
<b>Finance and Corporate Services Total</b>	<b>6,972</b>	<b>2,488</b>	<b>12,499</b>	<b>21,959</b>

## General Fund Capital Programme Details

Capital Programme 2013/14 - 2021/22	Environment & Leisure			
Description of Programme / Project	2013/14	2014/15	2015/16+	Total
	£'000	£'000	£'000	£'000
Kingswood House Refurbishment	0	0	250	250
Thomas Calton Centre refurbishment	521	0	0	521
Camberwell Leisure Centre Phase 2	51	0	0	51
Pynners Sports Ground reinstatement works	100	0	0	100
Seven Islands Leisure Centre Refurbishment	0	3,000	5,000	8,000
Southwark Park Sports Complex OLF allocation	210	160	0	370
Other OLF Projects	1,553	15	0	1,568
RFIDs	101	124	0	225
Grove Vale Library	0	360	0	360
Canada Water Public Art	72	0	0	72
Peckham Pulse Option 1 & 2	921	1,400	0	2,321
Leisure centres Lifecycle maintenance	120	295	0	415
Livesey Museum	204	0	0	204
Community Safety	1,317	0	0	1,317
SDM Essential H & S Requirements	771	0	0	771
Parking contract upfront capital costs	850	0	0	850
Walworth Road	47	0	0	47
Street care - Non Principal Roads Programme	7,201	5,050	28,000	40,251
Street metal works - Lamp column replacement	485	500	3,500	4,485
Cemetery Strategy	1,032	2,900	1,510	5,442
Burgess Park Revitalisation Project	421	0	0	421
GMH Park accommodation refurbishment	120	0	0	120
Crematoria Lodges refurbishment	380	0	0	380
Other parks projects	708	0	0	708
Parking Design Projects	105	0	0	105
Southbank accessibility improvements	455	0	0	455
Connect 2	307	0	0	307
Other public realm projects funded by S106	447	121	0	568
Cleaner Greener Safer programme	4,350	1,880	11,280	17,510
Integrated Waste Solutions Programme	2,151	0	0	2,151
Southwark Heat Network	150	0	0	150
Housing Renewal	4,172	4,025	14,346	22,543
<b>Environment &amp; Leisure Total</b>	<b>29,322</b>	<b>19,830</b>	<b>63,886</b>	<b>113,038</b>

## General Fund Capital Programme Details

Capital Programme 2013/14 - 2021/22	Housing General Fund			
Description of Programme / Project	2013/14	2014/15	2015/16+	Total
	£'000	£'000	£'000	£'000
Ilderton travellers site wall	300	0	0	300
Springtide travellers site	718	0	0	718
Burnhill Close travellers site refurbishment	0	0	0	0
Affordable Housing Fund 122-148 Ivydale	455	0	0	455
<b>Housing General Fund Total</b>	<b>1,473</b>	<b>0</b>	<b>0</b>	<b>1,473</b>
Capital Programme 2013/14 - 2021/22	Chief Executive			
Description of Programme / Project	2013/14	2014/15	2015/16+	Total
	£'000	£'000	£'000	£'000
Public Realm & Open Spaces Improvements	886	1,441	0	2,327
Borough & Bankside Streetscape Improvement	71	133	0	204
Bermondsey Streetscape Improvements	438	88	0	526
Improvements to Local Retail Environments	343	0	0	343
Tourism Infrastructure	202	0	0	202
Transport Infrastructure & Public Realm Improvements	4,996	2,067	0	7,063
Systems Upgrade	0	0	0	0
Regeneration of Deptford Town Centre & Surrounds	41	0	0	41
Wandsworth Schemes a new ultra modern library & Civic Space	145	6,800	0	6,945
Canada Water Library	267	0	0	267
Essendon Square refurbishment for Councils & Community Sector Estate	634	640	500	1,774
Construction of a Community Centre	642	378	0	1,020
Spa Rd Railway Arch Improvements	654	238	0	892
Refurbishment of Office Accomodation	0	1,031	0	1,031
Construction of New Office Accomodation	520	0	0	520
Disposal of surplus assets	81	0	0	81
Acquisition of New Office Accomodation	526	0	0	526
Construction of Elephant & Castle Leisure Centre	610	73	0	683
Regeneration of Peckham Rye station and surrounds	2,585	421	0	3,006
Area Renewal	9,366	9,570	0	18,936
	1,757	4,281	3,922	9,960
	598	821	0	1,419
<b>Chief Executive Total</b>	<b>25,367</b>	<b>27,982</b>	<b>4,422</b>	<b>57,771</b>

## General Fund Capital Programme Details

Capital Programme 2013/14 - 2021/22	Total General Fund Programme			
	2013/14	2014/15	2015/16+	Total
	£'000	£'000	£'000	£'000
<b>Total Expenditure</b>	95,310	124,125	117,788	337,223
<b>Total Resources</b>	76,904	119,199	163,845	359,948
<b>Forecast variation (under)/over</b>	<b>18,406</b>	<b>4,926</b>	<b>(46,057)</b>	<b>(22,725)</b>
<b>Cumulative position</b>	<b>18,406</b>	<b>23,332</b>	<b>(22,725)</b>	

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 19 November 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Motions Referred from Council Assembly	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Council Assembly	

## RECOMMENDATION

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

## BACKGROUND INFORMATION

2. Council assembly at its meeting on Wednesday 16 October 2013 agreed several motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motions referred to it. Any proposals in a motion are treated as a recommendation only. The final decisions of the cabinet will be reported back to the next meeting of council assembly. When considering a motion, cabinet can decide to:
  - Note the motion; *or*
  - Agree the motion in its entirety, *or*
  - Amend the motion; *or*
  - Reject the motion.

## KEY ISSUES FOR CONSIDERATION

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

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council agenda <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&amp;MId=4575&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&amp;MId=4575&amp;Ver=4</a>	Report on the council's website	Lesley John Constitutional Team 020 7525 7228

**LIST OF APPENDICES**

<b>Number</b>	<b>Title</b>
Appendix 1	Making Southwark a Carbon Neutral Council
Appendix 2	Green Southwark
Appendix 3	Save our Local Pubs
Appendix 4	Support for Free Healthy School Meals
Appendix 5	Green Flags
Appendix 6	Damp in Peter Butler House
Appendix 7	Clean Up Tower Bridge Road
Appendix 8	Making Cathedrals Ward Safer for Residents and Cyclist

**AUDIT TRAIL**

<b>Lead Officer</b>	Alexa Coates, Principal Constitutional Officer	
<b>Report Author</b>	Lesley John, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	7 November 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>
Chief Executive	Yes	Yes
Strategic Director of Environment and Leisure	Yes	Yes
Strategic Director of Housing and Community Services	Yes	Yes
Strategic Director of Finance and Corporate Services	No	No
Strategic Director of Children's and Adult's Services	Yes	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>	7 November 2013	

**APPENDIX 1****Making Southwark a Carbon Neutral Council**

At council assembly on Wednesday 16 October 2013 a motion entitled 'Making Southwark a carbon neutral council' was moved by Councillor James Barber and seconded by Councillor Geoffrey Thornton. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

That council assembly:

- Recognises the urgent need to plan for a greener, healthier future for Southwark and notes the council's existing commitment to reduce emissions in the borough by 80% on current levels by 2050.
- Welcomes the council's energy and carbon reduction strategy which sets out what the council will do to reduce both council emissions and those from the borough as a whole.
- Notes that the strategy sets out the council's plans to reduce operational emissions from all the council's offices, schools, libraries and leisure centres. Council assembly further notes the council's commitment to encouraging all council staff to work sustainability through monthly workshops and events as part of the council's green buildings programme.
- Notes that the council itself is responsible for 14.5% of the borough's total carbon emissions (including council homes), and believes the council should be leading the way in emissions reduction to encourage residents and local businesses to follow suit.
- Welcomes that this winter, Southwark is leading the way by delivering London's first energy from waste district heating network. Energy from the SELCHP facility will provide heating and hot water to five housing estates in the north east of the borough, in the process reducing carbon emissions by 8,000 tonnes per annum.
- Council assembly therefore and calls on cabinet to ensure the borough continues to make progress against its carbon reduction targets and encourages members who have ideas about what more the council could be doing to bring them forward to cabinet to help the borough achieve its goal.



- Welcomes the real energy efficiency improvements that we are making to our housing stock, making use of funding opportunities such as the energy companies obligation to install cavity wall and solid wall insulation. Council assembly notes that one such project recently completed on 2,200 properties has reduced carbon emissions by around 2,000 tonnes per annum.
- Notes that the council continue to work with a large number of the biggest commercial carbon emitters in the borough through the 200 Club programme of events, providing a forum for encouraging and educating about sustainability and energy efficiency in the work environment.
- Recognises that as well as minimising impact on the environment, reducing emissions will also cut the council's energy bill, save money that can be put to good use elsewhere and reduce pollution.
- Believes that the aspiration of the council should be to be carbon neutral but that the environment is best served by setting challenging but realistic carbon emissions targets.
- Recognises that for a borough of the size and nature of Southwark to be carbon neutral, then both the investment and green technology needs to be available. Council assembly notes that with the government cuts the borough is facing and the green technologies currently available that this is not possible in the next four years.

#### **Comments of the Strategic Director of Environment and Leisure**

- (1) The council has already made real progress to reduce the impact of its operations on the environment through a combination of building rationalisation, installation of energy efficiency measures and behavioural change among our staff. We have reduced carbon emissions by 20.6% in the last four years. Our total carbon emissions for 2012/13 amounted to 32, 587 tonnes.
- (2) The council published an energy and carbon reduction strategy in September 2011 that set out challenging targets for both short and long term reductions in carbon emissions from the council's operational stock, its housing and for the borough as a whole. Real progress has already been made and plans are in place to build on the good work undertaken to date.
- (3) The strategy includes a clear action plan and sets out very clearly, the planned work, anticipated carbon savings and even identifies individual officers responsible for delivering the projects. Regular reporting against this plan is in place.
- (4) A great deal of work has already been undertaken by officers across the council to meet the aspirations set out in the strategy, ranging from utilisation of the Salix fund to reduce emissions from the operational estate, the low carbon schools programme, aimed at improving the energy efficiency in our schools and the warm, dry and safe strategy, applicable to our housing stock.

- (5) Work is also progressing to access ECO funding (Energy Company Obligation) and a pilot scheme in Bermondsey has already realised savings of around 2,000 tonnes of carbon per annum. This successful project is about to be extended by housing and community services.
- (6) Officers are also speaking to colleagues in Lewisham with a view to benefit from a framework contract that could make additional ECO funding available for use on Southwark properties, both owned and in the private sector.
- (7) Finally, Southwark is also developing a 'Group Purchase Scheme' on behalf of all residents. Essentially, this scheme allows residents to buy into a bulk purchase arrangement for energy. The rationale being that there are efficiencies of scale and that if sufficient residents commit to buying energy through this scheme, the energy companies will offer a discounted rate in return for securing a large number of customers.

**APPENDIX 2****Green Southwark**

At council assembly on Wednesday 16 October 2013 a motion entitled 'Green Southwark' was proposed by Councillor Helen Hayes and seconded by Councillor Gavin Edwards. The motion was agreed and stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

- That council assembly welcomes this administration's commitment to improving Southwark's environment and notes the progress that has been made since 2010, despite aggressive cuts to local budgets from the government.
- That council assembly believes that a green Southwark not only improves our natural environment, but contributes to the health and wellbeing of our residents, the vibrancy of our communities and the richness of our heritage.
- That council assembly notes that 17 Southwark parks and green spaces are now in receipt of the prestigious Green Flag award – more than in the borough's history. It congratulates the fantastic work of the council's parks team, Friends Groups and volunteers who have all made this possible.
- That council assembly notes that Southwark is the 5th best in the whole of England for having sites of importance for nature conservation in positive management demonstrating the council's commitment to the preservation and enhancement of biodiversity across the borough.
- That council assembly welcomes this administration's £8 million investment in Burgess Park which has seen 331 newly planted trees, 92,000 plants and shrubs, new play areas and outdoor gym equipment, the planting of St Georges Gardens and of course a world class new BMX track.
- That council assembly believes that in order tackle climate change, the council itself must set an example and therefore welcomes the news that Southwark has achieved a 20.6% reduction of energy use on its operational estate and school buildings since 2009.
- That council assembly regrets the failure of the Tory Liberal Democrat government's to live up to its promise to be "the greenest government ever" after it slashed the budget for helping fuel poor households with their energy bills, failed to ensure that the energy companies meet their obligations on energy efficiency and failed to back a decarbonisation target.
- That council assembly welcomes the cabinet's commitment to creating a greener Southwark and urges them to continue to ensure that Southwark remains a green borough.

- That council assembly notes the introduction of a tree warden network to Southwark and, for the first time ever, a tree management strategy which records the borough's current tree stock, aims to increase community involvement in tree management and sets out the council's vision for trees for the coming years.
- That council assembly welcomes the opening of two new air quality stations in the borough, at the Old Kent Road and Elephant and Castle and welcomes this reversal of policy from the previous administration.
- That council assembly believes part of a green Southwark is to encourage sustainable forms of transport and notes that the number of people cycling and walking in the borough has increased with the help of key initiatives including free adult cyclist training.

**Comments of the Strategic Director of Environment and Leisure**

We welcome the motion in support of the work of the department.

**APPENDIX 3****Save our Local Pubs**

At council assembly on Wednesday 16 October 2013 a motion entitled 'Save our local pubs' was proposed by Councillor Tim McNally and seconded by Councillor Paul Kyriacou. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

That council assembly:

1. Recognises the important role local pubs play in the life of our borough by providing a community hub for residents to meet, relax, debate and do business.
2. Notes with regret the decline of community pubs in recent years, as the use of properties for other means has become more financially lucrative.
3. Recognises the community campaigns and their activists who have already successfully managed to get their pubs listed as assets of community value and looks forward to working with those who set up new businesses and create much needed employment.
4. Welcomes the council's groundbreaking approval to bring into force Article 4 planning directions on change of use to help protect our high streets and community assets such as pubs. This makes Southwark the first authority nationally to make such a change.
5. Recognises that highly indebted property companies own over half of Britain's pubs. These charge high rents to tied tenants of pubs. The Fair Deal for Your Local Campaign estimates that to pay these high rents a pint of lager is on average 80p per pint higher and ale is 65p per pint higher than justified by inflation and like for like changes in taxes since 1987. This is pricing pubs out of the market.
6. Council assembly therefore calls on the government to commit to statutory regulation of the relationship between large scale pub landlords and their tenants which specifically includes a "free of tie" option which will enable them to buy produce on the open market and pay a fair rent for their building.

**APPENDIX 4****Support for Free Healthy School Meals**

At council assembly on Wednesday 16 October 2013 a motion entitled 'Support for free healthy school meals' was moved by Councillor Peter John and seconded by Councillor Dora Dixon-Fyle. The motion was agreed and stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

That council assembly:

- welcomes the final stage of the roll out of free healthy school meals to all primary school children in the borough.
- notes the feedback from parents, carers and teachers who are reporting improved attainment, better concentration, fewer discipline issues, and healthy eating both inside and outside of school.
- is encouraged that such positive feedback will be contributing towards the challenge of childhood obesity in Southwark.
- welcomes the commitment from the coalition government that they will be following Southwark's example and introducing a national scheme of school meals for the youngest children in primary schools.

However, council assembly also:

- believes that the government scheme will fall short of what is needed by only providing free school meals for the youngest children.
- notes with concern that the government scheme will mean that primary school children in years 3, 4, 5 and 6 would lose their free healthy school meal unless local councils like Southwark have their own scheme in place and prioritises the budget to do so.
- notes that the Liberal Democrat Group in Southwark has consistently voted to remove the budget for free healthy school meals which would result in children losing this important meal each day.
- notes that free healthy school meals in Southwark have been opposed by Liberal Democrat members who have voted against them and by Bermondsey and Old Southwark MP, Simon Hughes, who was writing to constituents as recently as September opposing Southwark's plans.

That council assembly therefore:

- utterly condemns Southwark Liberal Democrat's record opposition to free healthy school meals in Southwark for all primary school children.
- asks cabinet to write to the Deputy Prime Minister welcoming his announcement on free school meals for all children in their first three years of school, urging an expansion of the scheme to all primary school children, and offering to work with government to show how Southwark has made this such a resounding success.
- calls on cabinet to continue to deliver free healthy school meals for all primary school children in Southwark.

**APPENDIX 5****Green Flags**

At council assembly on Wednesday 16 October 2013 a motion entitled 'Green flags' was proposed by Councillor Rosie Shimell and seconded by Councillor Jonathan Mitchell. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

That council assembly:

1. Notes that Southwark residents benefit hugely from the many green spaces across the borough, and believes the council should do as much as possible to promote our parks to maximise use.
2. Further notes the great progress which has been made in this respect over recent years with Southwark having now been awarded a total of seventeen green flags across the borough.
3. Notes that the council can only apply for flags in parks it owns and maintains and so parks such as St Francis would not be eligible.
4. Calls on the cabinet member for transport, environment and recycling and his team to commit to nominating other parks in Southwark for the Green Flag awards for 2014/15, including Nursery Row, Mint Street and Surrey Square which are all wonderful assets to their neighbouring communities.
5. Council assembly further calls on the cabinet member to consider other parks for future rounds of green flag awards including Goose Green and Dawsons Heights as well as Camberwell Green, Nunhead Green and Pasley Park.

**Comments of the Strategic Director of Environment and Leisure**

- (1) Southwark residents benefit hugely from the many green spaces across the borough, and the Council works hard to promote our parks to maximise their use. Green Flag is an important benchmark for us as the only nationally recognised quality standard for parks.
- (2) The deadline for applications is January and we have to submit new applications and resubmit existing applications. Judging takes place in around May.
- (3) This year only 4 sites were formally judged including the 3 new sites. The remainder were scheduled for 'mystery' visits. Next year will be a busy year as we've already been informed that 13 of our existing 17 green flag sites will be visited and fully judged plus any new sites.



- (4) On this basis current thinking is that next year will be a quieter year for new applications with more to be submitted the following year.
- (5) We therefore propose to add 2 new sites for 2014/15; Nursery Row and Surrey Square.
- (6) Mint Street Park is due to have further improvement works in 2014 and will be included in the applications for 2015/16.
- (7) We intend to continue identifying and submitting new sites in forthcoming years including; Mint Street, Camberwell Green, Nunhead Green, Pasley Park, and Goose Green.
- (8) Further assessment will need to be undertaken for Dawson's Heights in relation to the requisite quality standard and level of community engagement.

**APPENDIX 6****Damp in Peter Butler House**

At council assembly on Wednesday 16 October 2013 a motion entitled 'Damp in Peter Butler House' was proposed by Councillor Eliza Mann and seconded by Councillor Anood Al-Samerai. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

That council assembly notes that in the last three years, the council has received three formal complaints regarding damp in Peter Butler House – two which were due to condensation and one due to a defective balcony all of which have now been resolved.

That council assembly notes that officers have commissioned a survey to assess all dwellings within the block to identify any underlying issues and necessary remedial actions and welcomes the council's commitment to this.

That council assembly calls on the cabinet member for housing management to consider the outcome of the survey and take any remedial action necessary.

**Strategic Director of Housing and Community Services**

- (1) The council has commissioned an external firm of surveyors, Calford Seaden, to carry out inspections on dwellings within Peter Butler House. Calford Seaden have now accessed all properties, bar 10. They have reported a mixture of problems ranging from minor defects to excessive clutter but have highlighted that condensation dampness seems to be the main issue with regard to damp in the building. They have raised two areas for further investigation which may be contributing towards the build up of condensation mould in some dwellings. These are in the lift shaft and cavity wall.
- (2) Attempts will be made to get access to the remaining 10 properties by mid-November. Calford Seaden will provide their full report with recommendations by 6th December 2013.

**APPENDIX 7****Clean up Tower Bridge Road**

At council assembly on Wednesday 16 October 2013 a motion entitled 'Clean up Tower Bridge Road' was proposed by Councillor Mark Gettleson and seconded by Councillor Denise Capstick. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. That council assembly welcomes the efforts of the Tower Bridge Road Business Alliance to improve Tower Bridge Road.
2. That council assembly welcomes the investment made through the community restoration fund that supported the creation of the Alliance and its initial activities.
3. That council assembly congratulates the Alliance on the success of its recent projects, funded through the cleaner greener safer budget, particularly the decoration of shop shutters, which have helped to improve the appearance of the street and allowed businesses to see the benefits of working with the Alliance.
4. That council assembly welcomes the high standards in street cleaning across the borough and the record public satisfaction with street cleanliness. It further welcomes the council's economic wellbeing strategy which sets out the council's plans to further improve partnership working with businesses to ensure that the council fully considers the different needs and expectations of businesses, their customers, local communities and residents when delivering basic services.
5. That council assembly calls on the cabinet to:
  - continue to ensure that the planned improvements to Tower Bridge Road by Transport for London respond to the needs of local businesses and results improve the general appearance of the street.
  - Implement plans in the economic wellbeing strategy so that businesses on Tower Bridge Road and elsewhere in the borough can have more input into ensuring that local services meet their needs.

**Comments of the Chief Executive**

- (1) The implementation of the economic well-being strategy and in particular supporting local businesses is a key priority for the Council. A steering group of senior officers will oversee implementation plans, ensuring a cross-Council approach to delivery. This includes evaluation of the impact of the CRF and the £1m business support fund.

**APPENDIX 8****Making Cathedrals Ward Safer For Residents and Cyclist**

At council assembly on Wednesday 16 October 2013 a motion entitled 'Making Cathedrals ward safer for residents and cyclist' was proposed by Councillor Adele Morris and seconded by Councillor David Noakes. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

That council assembly:

1. Recognises the large number of developments that are either under construction or soon to be under construction in Cathedrals Ward and other areas of the borough and that this brings with it significant construction traffic and logistical challenges.
2. Notes that all construction sites in the area have to have agreed construction management plans in place to demonstrate how deliveries will take place. This often results in a local road closure or a pit lane being installed to ensure HGV's can safely access and unload next to sites.
3. Notes that construction management plans must take account of the safety of other road users around the site including pedestrians and cyclists and that this is rigorously enforced.
4. Notes that all contractors have logistics companies working for them who arrange delivery slots so there should not be any local parking - all deliveries are just-in-time.
5. Notes that for very large projects contractors may need to rent a logistics site such as holding bays on Druid Street for the Shard and London Bridge Station.
6. Notes that the council takes action against any contractors caught parking up locally such highways inspectors taking action against parking on Hopton Street.

That council assembly therefore calls upon cabinet to:

7. Instruct officers to work with contractors to assist them in finding suitable sites to use as waiting areas for construction vehicles which arrive before their allotted time and to continue to rigorously enforce against any use of local streets for circling or parking of vehicles.

**Comments of the Chief Executive / Strategic Director of Environment and Leisure**

- (1) The council and Transport for London are working to ensure that all identified developments adhere to agreements set out in the construction traffic management Plan (CTMP). This includes identifying holding areas for detailed delivery schedules which include allotted timings for haulage contractors. This will substantially reduce the inconvenience on residents and the travelling public.
- (2) Southwark Council will continue to work closely with developers and contractors to discourage haulage companies from arriving in the borough prior to any agreed delivery time frame. Where necessary, we will enforce using our powers under regulation 98 of the Road Transport Construction and Use Regulations.
- (3) The council recognises the need to protect all road users around construction developments and this is detailed in S.2.3 (Road Hierarchy) of Southwark Council's Network Management Policy.

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 19 November 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Partnership Agreement Via Section 75 with Southwark Council and Southwark Clinical Commissioning Group	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Catherine McDonald, Health, Adult Social Care and Equalities	

**FOREWORD – COUNCILLOR CATHERINE MCDONALD, CABINET MEMBER FOR HEALTH, ADULT SOCIAL CARE AND EQUALITIES**

This agreement covers some of the services which support some of the most vulnerable groups in Southwark, and who experience some of the largest inequalities in health in the borough. These include services for people experiencing mental health problems, including residential support programmes and day care support. They also include treatment services for people seeking to address problems with harmful addictions. These are essential to protect and improve the lives of Southwark’s most vulnerable groups. These residents experience poorer quality of life and have a reduced life expectancy. It is vital that we ensure support and treatment services work together across Southwark’s health and social care services to improve the outcomes of care, build resilience, and tackle the causes of these issues and the health inequalities they cause.

In Southwark, the Council has been working closely with health partners to understand and tackle these issues. The new approach on tackling health inequalities that local partners set out at Southwark’s Health and Wellbeing Board and local work towards better integration of services is informing the development of services in these areas. We have also been working with the people who use these services to identify which of our services are working well, and meeting health needs, and which areas we need to develop.

Part of our approach to future service development is to ensure that we have good governance and appropriate arrangements in place for Council to work in partnership with our local Clinical Commissioning Group and ensure that our services are delivering value for money and are effective in tackling health challenges in the borough. This report sets out an improved framework agreement for partnership arrangements between the Council and local health partner. It will ensure that we make the best use of the money we spend together on services that improve health and wellbeing in the borough.

The report formalises existing arrangements for 2013-14 for the services set out in the paper. We are continuing to work to improve our new public health services for residents, and to work better with our health partners. In 2014-15 there are more areas that we will consider including in the framework agreement as set out in the report. There are also more changes that we look forward to putting in place to the existing services, following our work this year with people who use our services and consultations with our residents.

## RECOMMENDATIONS

That the cabinet:

1. Notes the partnership approach to commissioning proposed between the Council and the local Clinical Commissioning Group for the services set out within this report.
2. Approves the proposed agreement between the Council and the Clinical Commissioning Group under section 75 of the National Health Services Act 2006 and delegates authority to the Strategic Director of Children's and Adults' Services to execute the agreement.
3. Delegates authority to approve changes to the services contained within the agreement, to the Strategic Director of Children's and Adults' Services.
4. Notes the opportunity for further service transformation to achieve improved health outcomes in Southwark.
5. Agrees to receive an annual report on the progress and performance of services governed by the agreement alongside options for future service transformation.

## BACKGROUND INFORMATION

6. On 1 April 2013 responsibility for commissioning public health services transferred from the now abolished Southwark Primary Care Trust (PCT) to the Council. The transfer has resulted in a review of the areas in which the council and new local health partner, NHS Southwark Clinical Commissioning Group (CCG), wish to work together in order to make the best use of local expertise.
7. Prior to the transfer there were partnership arrangements in place between the council and the PCT under s75 of the National Health Services Act 2006, which allows one to delegate all or part of its functions to the other. These included arrangements for the PCT to commission adults' mental health services on behalf of the Council including elements funded through a pooled health and local authority budget. With the abolition of PCTs the s75 agreements lapsed and across the country new agreements have been negotiated and agreed between Councils and the new CCGs. Renegotiating this agreement has also provided an opportunity to review and strengthen arrangements for accountability, impact, and value for money.
8. In parallel, Southwark, Lambeth, Lewisham and Croydon Councils have been working together to draw up a common approach to their respective s75 partnership agreements for the commissioning of mental health services from SLAM, since all four boroughs share the same provider and all wished to set consistent delivery standards and strengthen the ability to hold NHS commissioners to account for outcomes achieved through pooled budgets. In Southwark the approach to some existing public health commissioning and mental health commissioning have been brought together into a single s75 agreement that underpins partnership commissioning arrangements between the council and the CCG. This is the subject of this report.
9. The services proposed to be included in the section 75 agreement are funded in 2013/14 by £4.93m funding from the Council's adult social care revenue budget

for mental health services and £3.85m from the Council's ring-fenced public health grant for public health services.

10. The s75 agreement being proposed does not cover all of the public health services which transferred to the Council. The majority of sexual health services are commissioned through a tri-borough agreement with Lambeth and Lewisham. Additional public health commissioning is advised by the public health team and commissioned through the local authority's Children and Adult's Services department and the Community Safety and Enforcement team. Services are currently commissioned through contracts, grant arrangements and service level agreements with GPs and pharmacies from NHS England on behalf of Southwark.
11. The public health services to be covered initially by the s.75 agreement include adult mental health services, substance misuse treatment services, smoking cessation services and a small number of sexual health services. There are interim arrangements in place under the Department of Health's Transfer Scheme of 31 March 2013. The s75 agreement, will formalise arrangements and set out detailed governance.
12. The local authority is conducting strategic work to review public health services and to review arrangements for joint working. This includes a refresh of the local joint strategic needs assessment to inform commissioning in Southwark, and the local joint Health and Wellbeing Strategy. There are also needs assessments focused on specific services, including the substance misuse treatment services included within this agreement. The Council and Clinical Commissioning Group are working together to develop approaches for more integrated working, and collaboration on commissioning services, of which this agreement forms a part. The Council will continue to examine services to identify opportunities for joint working, and to consider appropriate governance arrangements to support those.

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

13. Further to the commitment to a 'steady-state' transition set out in the council's Cabinet report of February 2013, it was agreed that the NHS, through Southwark CCG, should continue to commission a range of public health services relating to commissioning for 2013-14 on the Council's behalf. These include some substance misuse (drug and alcohol) treatment services, some smoking cessation services, and local enhanced services delivered through pharmacies and GPs for sexual health. These are included in the proposed s75 agreement alongside adults' mental health services.
14. The services and budgets already committed for 2013-4, and for which new governance arrangements will be formalised in the agreement, are as set out below. Note that the services and budgets listed below, which form the s75 agreement, are only a part of the council's service provision and allocated resources for each of these areas.

#### **Adult mental health services**

Services include contributions towards a jointly commissioned residential and nursing care placements, as well as day care provision and wellbeing services for people with mental health needs.

i)	Day Care Service	£2,109,666
ii)	Residential Placements	£2,817,000



**Total in this agreement** **£4,926,666**

#### **Substance misuse treatment services**

Services include inpatient and outpatient support and treatment services, and harm minimisation programmes for people with drug and alcohol misuse problems. These include detoxification programmes, stabilisation and abstinence services.

iii)	Community Drug Action Team	£2,994,108
iv)	Needle exchange coordination	£ 136,200
v)	Inpatients	£ 104,475
vi)	Injectable Opiates	£ 80,005
vii)	Specialist outpatients	£ 9,000

**Total in this agreement:** **£3,323,788**

#### **Smoking cessation**

Services include structured support to stop smoking provided in community and primary care services, and access to nicotine replacement therapy. A specialist service is also provided that targets those whose addiction is strongest and particularly targeted at patients at risk of, or experiencing, chronic obstructive pulmonary disease (COPD).

viii)	Smoking cessation team at South London and Maudsley -	£79,944
ix)	Smoking cessation local enhanced service through GP practices -	£130,005
x)	Smoking cessation local enhanced service through Pharmacies, including Nicotine Replacement Therapy voucher -	£114,252

**Total in this agreement:** **£ 324,201**

#### **Sexual health local enhanced services**

These services provide contraceptive consultations and services, health promotion advisory materials to promote safer behaviours, and screening and testing within primary and community care settings, including targeted support to young people and high risk groups.

xi)	Sexual health local enhanced services through GP practices -	£69,591
xii)	Sexual health local enhanced services through Pharmacies -	£128,192

**Total in this agreement:** **£ 197,703**

15. Commissioning and spending decisions for 2014/15 and future years for these services will be determined through appropriate Council governance procedures, in line with the Council's constitution.
16. The agreement consists of a core set of terms and conditions setting out aims and objectives, arrangements for governance, strengthened performance and financial monitoring and reporting, annual service reviews, dispute resolution and termination. The agreement also includes schedules setting out the services to be commissioned under s.75 arrangements, identifying which partner will be the lead commissioner and containing more detailed governance, monitoring and reporting arrangements in relation to the particular service. The agreement has been drafted so as to be flexible, allowing for services to be varied, new services

to be included or existing ones removed by agreement as the partnership between the council and the CCG develops, and needs or commissioning strategies change. The form of the agreement is a rolling agreement with a 6 months notice period for termination.

17. Under the core terms, overall governance of the arrangements will sit with the Health and Social Care Partnership Board (HSPB) whose terms of reference will be appended to the agreement. The CCG will be required as a minimum to report to the HSCPB on a quarterly and annual basis setting out performance levels against targets, plans to deal with underperformance and financial returns, including any forecast overspends or underspends. The schedules then require more frequent reporting to Council officers and bodies such as the Drug and Alcohol Team (DAAT) Board and Joint Commissioning Committee (JCC) for Mental Health. Whilst the schedules may detail specific targets, the agreement also contains an agreed set of overall aims and objectives.
18. Arrangements for how financial contributions by the parties are to be dealt with on a pooled or non-pooled basis are laid out in the terms with specific provisions included to deal with potential underspend or forecast overspend. The agreement contains a number of protections for the Council ranging from confidentiality and data protection issues to dispute resolution and termination arrangements including the potential application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). There is also a mutual indemnity covering losses to one partner arising out of the acts or omissions of the other. The agreement also contains appropriate health and safety and equality provisions.
19. In addition to a clear framework against which lead commissioners will be held to account it is intended that by bringing a number of joint commissioning arrangements together in one legal agreement we will be able to ensure greater consistency with providers such as South London and Maudsley NHS Foundation Trust, where there are currently multiple and complex commissioning routes. Potential overlaps, duplications and opportunities for efficiencies across services and/or providers will be more easily identified to support joint decision making on commissioning intentions going forwards. This is particularly important as the financial climate becomes tougher and investment and disinvestment choices need to be made for 14/15 onwards.
20. Whilst strategic oversight rests with the Health and Wellbeing Board governance of the s.75 arrangements would be through the recently constituted Health and Social Care Partnership Board (HSPB) which brings together commissioning leads from all relevant departments of the council, the CCG, performance leads and the public health team. The HSPB will receive the quarterly and annual financial and performance monitoring reports specified in the agreement, and provide a forum to interrogate performance and financial monitoring against agreed outcomes.
21. Alongside the core terms the agreement also includes schedules setting out the services to be commissioned under s.75 arrangements, identifying which partner will be the lead commissioner. The agreement has been drafted so as to be flexible, allowing for services to be varied, new services to be included or existing ones removed by agreement, as the partnership between the council and the CCG develops and needs or commissioning strategies change.

22. There are a number of very effective partnership arrangements in place to oversee joint commissioning, such as the Drug and Alcohol Action Team (DAAT) Board and Substance Misuse Joint Commissioning Group. We are also refreshing our Mental Health Joint Commissioning Group, and developing a robust governance framework for the integrated care programme with Lambeth (Southwark and Lambeth Integrated Commissioning, or SLIC). As the Council's Health and Well Being Board develops over the coming months it will be important to ensure that the governance infrastructure enables the ambitions and priorities to improve the public's health in Southwark lead to commissioning that makes a measurable difference in health and well being outcomes. Opportunities to build on what is currently working and streamline or phase out unnecessary meetings will be maximised.
23. The services the Council is considering for inclusion in the agreement for 2014-15 will be children's mental health commissioning and speech and language therapy. In addition, the Council will act as lead commissioner for learning difficulties and disability services across the whole life course.

### **Policy implications**

24. The Health and Social Care Act 2012 set out responsibilities for local authorities to be responsible for public health commissioning, to convene joint Health and Wellbeing Boards and to use these to reduce health inequalities by taking "such steps as it considers appropriate for improving the health of the people in its area".
25. The Health and Social Care Act set out a role for local authorities in terms of health and wellbeing leadership. This role was articulated in the 2010 *Marmot Review* which set out the limitations in tackling health inequalities in the current system in which "the perception among agencies is that responsibility for the delivery of health improvement lies with the NHS". The Marmot review highlighted that local government and other organisations hold many of the levers that shape and can have an impact on health improvement.
26. Southwark's Health and Wellbeing Board has agreed a joint Health and Wellbeing Strategy in July 2013, in line with its statutory responsibilities. The three priorities set out within that strategy are: to give every child and young person the best start in life; building healthier and more resilient communities and tackling the root causes of ill health; and, improving the experience and outcomes of care for our most vulnerable residents and enabling them to live more independent lives.
27. Section 75 arrangements are being developed in line with the Joint Health and Wellbeing Strategy. The strategy sets out partnership commitment to developing health and wellbeing services that work towards reducing inequality of outcome and can make a measurable difference to the lives of residents. Central to this is ensuring that commissioned services are high quality, can demonstrate impact, promote independence and mental wellbeing and are shaped by the views and experiences of service users.
28. The Health and Social Care Act also sets out a duty for Health and Wellbeing Boards to encourage integrated working, so that the health and social care services in an area work in an integrated manner.

29. The national policy context has increased the pace on the integration between health and other care services at a local level. Partners across the CCG and council are working together to understand what this means for local services and their configurations going forward. Local areas will be able access the local Integration Transformation Fund to support local ambitions by submission of jointly agreed plans between the CCG and LA required by March 2014. Over coming months the potential for joint working and integrated commissioning between partners is being extensively explored under the remit of the health and Wellbeing board. The outcome of which is likely to influence how we choose to exercise future Section 75 arrangements.

### Evaluation and review

30. Local authorities are guided by their local joint strategic needs assessment and health and wellbeing strategy in relation to commissioning, and the objectives within the national public health outcomes framework. There are comprehensive monitoring arrangements proposed within the section 75 agreement to cover the partnership governance, and review and monitoring of services delivered under the agreement.
31. It is also proposed that an annual update is provided to cabinet on the performance and progress of services delivered under the agreement.

### Resource implications

32. The report does not commit to new spending, rather it puts in place a framework agreement which formalises arrangements for 2013/14 expenditure as set out below.
33. The 2013/14 cost of the services provided through the s75 agreement will be as set out below:

Adult mental health	£4,926,666
Substance misuse treatment services	£3,323,788
Smoking cessation services	£324,201
Sexual health treatment services	£197,703
<b>Total</b>	<b>£8,772,358</b>

34. The costs will be met by £4.93m revenue funding from the Children's and Adults' Services Department budget and £3.85m funding from the ring-fenced public health grant funding.
35. Financial reports will be received from the CCG by the HSPB on a quarterly basis and the cabinet on an annually basis.
36. Any cost pressures identified above the level of the agreement will be controlled and managed by the department responsible for the services, and will be met from within existing resources.
37. The local authority will also contribute commissioning resources towards posts identified to deliver partnership commissioning work.

38. The majority of these contracts are fixed price, the risks of the activity led contracts i.e. local enhanced services for sexual health, will be managed by robust contract monitoring.

### **Community impact statement**

39. The services within the agreement support some of the most vulnerable groups in Southwark, and are designed to be accessible to all community groups. The partnership agreement reiterates and acknowledges the Public Sector Equality duties of both bodies to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between different groups. It sets out a joint commitment to carry out appropriate equalities impact assessments at reasonable intervals in relation to existing and new policies relating to the Partnership Arrangements, and to promote equality and diversity through their participation in the Partnership Arrangements.
40. The health and wellbeing of the local population is at the core of commissioning related to health outcomes in the borough. The involvement of communities is a key part of the work of all parts of the health system, including through health and wellbeing boards. The value of including the wider views of individuals and communities is critical to both understanding and tackling the health and wellbeing issues in both Lambeth and Southwark.
41. An initial key principle of the transition was that it would be 'steady-state' due to the scale of change in the NHS and the complex nature of the commissioned services the local authority will be responsible for from 2013. There have been minimal changes to the services which are currently being provided to the community, and none are immediately proposed under this agreement, which deals with the governance for commissioning arrangements.
42. Engagement with the community and with people accessing commissioned public health services is a core principle within future commissioning strategies for the new public health services within the council. The impact of these services on the community, and the views of the local community about these services, will be a core element of any reviews for services. All future changes to services would be fully consulted in line with the Council's responsibilities.
43. The Council has been refreshing its joint strategic needs assessment, and producing a specific needs assessment for substance misuse issues in the borough. These needs assessments involve service users and provide input into the Council's commissioning intentions. There is consultation currently underway on mental health day opportunities in Southwark.

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

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

44. This is an agreement under section 75 of the National Health Services Act 2006. Section 75 of the 2006 Act states that the Secretary of State may, through Regulations, provide for NHS bodies and local authorities to enter into arrangements in relation to certain prescribed functions of theirs, including the exercise by one of the other's prescribed functions alongside their own, and the establishment of pooled funds. This agreement under s.75 of the 2006 Act is a delegation to the CCG of part of the Council's function in relation to public health and mental health services. As such, it is not a contract for services. This being

the case, the Contract Standing Orders (CSOs) in the Council's constitution do not apply to this arrangement.

45. Whilst the Cabinet agreed on 12 February 2013 to delegate to the Strategic Director of Children's and Adults' Services the authority to approve the s.75 agreement in so far as it relates to public health matters, because this agreement now also concerns mental health services to the value of almost £5 million, it is appropriate that this decision is referred to Cabinet.
46. The agreement contains appropriate protections for the Council in relation to confidentiality, data protection and sharing issues, dispute resolution and termination arrangements including the potential application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). We understand that TUPE will not apply on entering into the agreement but that there may be a risk of it affecting the Council directly if commissioning of the relevant services is later brought back into the Council. Governance, performance monitoring and reporting arrangements are all covered by the agreement.
47. The agreement contains equality provisions and equality analyses will be carried out at the appropriate times, as noted in the community impact statement above. Consultation should also take place with the appropriate individuals as required by the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000.
48. Although the agreement is complex, seeking to bring within its remit a range of services, these are clearly delineated with provisions for specific governance and monitoring arrangements and separate funding streams set out. Similarly, whilst the agreement is open-ended, terminable on 6 month' notice, terms of duration for the various services covered by it are separately set out.
49. With the current arrangements for the provision of the affected public health services sitting within contracts held by the NHS and a need for essential services to continue whilst the Council carries out contract and service reviews and needs assessments following the public health transfer, and with mental health services already having been provided through a s.75 agreement with the PCT, there seems a clear benefit to the proposed arrangements in the context of the Council's desire to ensure continuity and consistency.

#### **Strategic Director of Finance and Corporate Services (FC13/077)**

50. This report seeks cabinet approval of the proposed agreement between the council and the clinical commissioning group (CCG) under section 75 of the national health services act 2006. This agreement will allow the CCG to commission various services on behalf of the council.
51. The financial implications are detailed in paragraphs 32 to 38 and show that services are funded through a combination of council revenue budgets and department of health grant. Any reduction in available funding will be reported through the council's budget setting process.
52. The strategic director of finance and corporate services notes that robust monitoring will be in place to ensure demand led expenditure and any other pressures are contained within existing resources. In addition, the annual report to cabinet will show the costs of this agreement.

53. This agreement represents an opportunity for further service transformation to achieve improved health outcomes in Southwark. Any changes to services will be subject to a full appraisal of financial implications.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Council Cabinet paper, 17 July 2012	Corporate Strategy 160 Tooley Street London SE1 2QH	<a href="http://moderngov.southwark.gov.uk/documents/s30448/Report%20Public%20Health%20Shared%20Service%20between%20Lambeth%20and%20Southwark%20Councils.pdf">http://moderngov.southwark.gov.uk/documents/s30448/Report%20Public%20Health%20Shared%20Service%20between%20Lambeth%20and%20Southwark%20Councils.pdf</a>
Southwark Council Cabinet paper, 12 February 2013	Corporate Strategy 160 Tooley Street London SE1 2QH	<a href="http://moderngov.southwark.gov.uk/documents/s35420/Report%20Establishment%20of%20Public%20Health%20Leadership%20and%20Commissioning%20in%20Southwark%20Council.pdf">http://moderngov.southwark.gov.uk/documents/s35420/Report%20Establishment%20of%20Public%20Health%20Leadership%20and%20Commissioning%20in%20Southwark%20Council.pdf</a>

## APPENDICES

No.	Title
Appendix 1	Draft Agreement under section 75 of the National Health Services Act 2006 relating to lead commissioning of health, social care and wellbeing services. Available on the Council's website: <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4552&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4552&amp;Ver=4</a>

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Catherine McDonald, Cabinet Member for Health, Adult Social Care and Equalities	
<b>Lead Officer</b>	Romi Bowen, Strategic Director of Children's and Adults' Services	
<b>Report Author</b>	Kerry Crichlow, Director Strategy & Commissioning (Children's and Adults' Services)	
<b>Version</b>	Final	
<b>Dated</b>	8 November 2013	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
	<b>Officer Title</b>	<b>Comments Sought</b>
	Director of Legal Services	Yes
	Strategic Director of Finance and Corporate Services	Yes
	<b>Cabinet Member</b>	Yes
	<b>Date final report sent to Constitutional Team</b>	8 November 2013



<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 19 November 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Ethical Care Charter Task and Finish Group. Progress and Feasibility Report on the Work of the Task and Finish Group.	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Catherine McDonald, Health, Adult Social Care and Equalities	

### **FOREWORD - COUNCILLOR CATHERINE MCDONALD, CABINET MEMBER FOR HEALTH, ADULT SOCIAL CARE AND EQUALITIES**

Home care services provide essential support to vulnerable people with social care needs in order to help them live independently and safely in their own homes. The quality of the important services we commission is paramount and as a council our fairer future promises underline our strong commitment to high quality personalised support. This is one of our most important duties.

The people who carry out the work caring for vulnerable people – helping with their personal care – including getting up, washed, dressed and fed in the mornings and the equivalent routine at bed time, housework, shopping and being someone to talk to – provide a vital and demanding role that is critical to the service users and their carers – and critical to our wider society and community. Having the highest possible quality home care workforce is essential to support our vulnerable residents.

Older and disabled people need help at home because they are facing a range of health conditions that impact on their lives. I believe having a better paid, better skilled and well motivated home care workforce working in the community will support the ambitions of our Health and Wellbeing Board to reduce unnecessary demand for hospital services and help to keep people at home for longer.

The many hundreds of local people who make up the home care workforce are also important to us and this council recognises the need to ensure that people are paid fairly for their work. That is why I am proud that earlier this year, we introduced the London Living Wage (LLW) for home care workers, ensuring our homecare providers pass this on to their employees.

The large majority of home care workers, 85%, live in Southwark, 82% are women and 65% come from black and minority ethnic communities.

Commissioning high quality home care services that embraces the principles of the charter and supports our vision and values for home care is fundamental to our commitment to support the most vulnerable members of our community. In April, this cabinet welcomed Unison's Ethical Care Charter and noted the progress we had already made in implementing many areas of it. In April we agreed to set up a Task and Finish Group and a stakeholder to develop an approach for Southwark that supported the council's aspiration to implement the principles of the charter – including those relating to the three outstanding areas – zero hours contracts,

payment for travel time, occupational sickness schemes - subject to affordability, contractual commitments and with reference to the demands of personalised budgets.. I am pleased that following the work of the task and finish group and stakeholder group I am asking cabinet to sign up to the charter in full. It is our intention to work towards implementing the charter in a sustainable and cost effective way that delivers the greatest impact on the quality of care and improves the lives of people who need this support.

This report recommends adopting a commissioning based approach to implementing the charter and I am pleased that this will include developing an approach that ensures home care workers can be offered the choice of having defined hours contracts, be paid for travel time and have access to an appropriate level of occupational sickness cover.

## **RECOMMENDATIONS**

1. That cabinet notes the principles of the charter and agrees to sign up to the charter and confirms the council's intention to work towards its implementation.
2. That cabinet note that affordability and sustainability is and will remain a key consideration when working through the approach to making progress on the charter. The strategic director of finance and corporate services is requested to do financial modeling and set aside a provisional sum in the budget.
3. That cabinet agrees that a commissioning based approach (as opposed to varying existing contract or bringing home care services in house) is likely to be the most affordable way to implement the charter and will have greatest impact on the quality of provision as set out in paragraphs 40-47.
4. That cabinet note and agree the vision and values for home care service that have been developed through the stakeholder group and reviewed by the 'Task and Finish' group
5. That cabinet requests that the strategic director of children's and adults' services is asked to develop a new commissioning strategy to deliver the vision and values for home care in a way that is consistent with the charter principles. The strategy would need to ensure that additional investment in home care services achieves measurable improvements in quality, user experience and outcomes.
6. To note and agree interim steps to improve the delivery of home care services including providers better co-ordinating visits to minimise travel time and agree that a workforce development group be established to devise a training and development programme that will support up-skilling home care workers as set out in paragraph 38.
7. To note that there will be a report back to cabinet in June 2014 with a proposed approach for the re-commissioning of home care services in line with the Ethical Homecare Charter.

## **BACKGROUND INFORMATION**

8. In November 2012, cabinet heard from a delegation of home care workers who presented UNISON's ethical care charter and requested that Southwark Council sign up to this. Cabinet requested officers carry out analysis of the charter to inform consideration of whether it would be possible to sign up to the charter.
9. In April 2013 cabinet considered a report that provided analysis of the charters principles and the current arrangements in Southwark. The report agreed by cabinet in April 2013 confirmed that many aspects of Unison's Home Care Charter were already in place, including no 15 minute visits, and a commitment to bringing in the London Living Wage, which was done in August 2013 and a commitment to developing a training partnership with providers. However three areas were noted as requiring further analysis in order to fully consider the feasibility of adopting the Charter with reference to affordability, contractual commitments and the demands of personal budgets. These were:
  - Ensuring that home care workers are paid for their travel time
  - Ensuring that zero hours contracts are not used in place of permanent contracts
  - Ensuring that home care workers are covered by occupational sick pay schemes (above statutory sickness cover)
10. Cabinet agreed to establish a 'Task and Finish' group involving stakeholders (Unison, providers, home care workers and officers) and this group has met four times to consider the issues. The work of the 'Task and Finish' Group has also been informed by a wider stakeholder group which has met five times to review best practice and develop our vision. This group has involved a range of providers, front line staff, lay inspectors, voluntary sector reps, social care operational staff, commissioners and health. It has also capture some direct user input via the independent facilitator Annie Stevenson from MyHomeLife, who has work closely with the council on its Quality Strategy for Care Homes.
11. In addition, cabinet agreed that these elements should be considered in the context of developing a Quality Strategy and Best Practice Principles for home care. The vision and values for home care services are set out in appendix 1 and 2, which cabinet are asked to agree.
12. Focusing on the three areas outlined above, the 'Task and Finish' group have been working together to assess whether it is possible to adopt the charters principles and what the implications would be. The group identified the potential implementation options should cabinet agree a commitment to progress the charters principles and these are set out in paragraphs 39 to 47.

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

13. The report to cabinet in April 2013 identified that one of the key challenges around adopting the principles of the charter was affordability and sustainability in the context of budget reductions the council faces. Contractual issues were also considered. The 'Task and Finish' group carried out further analysis and estimated an indication of the cost estimates of variation to existing contracts.
14. It is important to note that these estimates are based on implementing outstanding areas of the charter with existing providers as opposed to the other

options set out in paragraphs 39 to 47, which could offer better value.

15. As affordability and sustainability were important considerations this was looked at by the 'Task and Finish' group in relation to the potential options for progressing the principles of the charter. The charter itself sets out a staged approach to implementation. It recommends to councils who are considering adopting the charter that the charters principles need to be embedded in the delivery and commissioning approach to home care services.
16. With this in mind the 'Task and Finish' group, alongside other options, looked at what a staged approach to adopting the charter's principles might involve. Consideration was given to how our approach would support delivery of the vision and values for home care and the impact it might have on quality and outcomes. It was agreed a staged approach focused on securing innovation would achieve most impact and value for money. This informed recommendations 2 and 3 that a commissioning approach to redesign the service was the best way to deliver a commitment to the principles of the charter while managing affordability and sustainability.
17. Analysis of the all the options considered are provided in paragraphs 39 to 47 below and paragraphs 18 to 38 provide a summary of the key discussion points that informed the options considered.

#### **Discussion of outstanding areas of the charter**

18. The vision recognises the importance of the relationship between the person who needs support and the carer whom they rely on to do the things many of us take for granted, including intimate care. This implies that investing in the home care workforce so that staff feel secure and valued is fundamental to achieving the highest possible standards of care.
19. The 'Task and Finish' group identified 2 key strands to this theme as follows:
  - Valuing home carers as a key professional group of staff who play a vital role in delivering health and social care services, and
  - Valuing the workforce through improving terms and conditions
20. The elements of the charter relevant to valuing the workforce through improving terms and conditions are discussed below and the theme around valuing home care staff as a key professional group is covered in more detail under partnership working in paragraphs 32 to 35

#### **Payment for travel time**

21. Payment for travel time was the issue that was most commonly raised through the stakeholder group by home care workers. This was often linked to the broader issue of having enough time to work flexibly and home care workers being able form relationships with users so as to respond better to them as individuals. Removing the pressure on workers to 'get to their next job' by addressing the issue of payment for travel time is important.
22. The wider research and evidence base from the past 10 years or so confirms that payment for travel time is one of the most significant issues for the home care workforce and can impact on service quality.

23. Early themes emerging from the Carewatch Lay Inspection project<sup>1</sup> also highlighted the importance of effectively planned rotas, how, when and where visits are scheduled and how this links to being paid for travel time.
24. The 'Task and Finish' group identified that while a commissioning based approach is recommended as the best way of embedding the principles of the charter and vision and values in to local practice and contracting arrangements, there are shorter term actions that could be taken forward by or with existing providers to help begin to address the issues above associated with payment for travel time. This includes:
  - more detailed planning and co-ordination of rotas by providers
  - consideration by providers of where homecare workers live and proximity of care visits to their home location to minimise travel
  - greater flexibility in how the council commissions/orders home care packages to allow providers and home care workers more autonomy to negotiate with users the timing of visits in a more personalised way.

### **Zero hours contracts**

25. Not using zero hours contracts in place of defined hours contracts was confirmed as an important issue in 'Task and Finish' group discussions. This issue was however less prominent in stakeholder group discussions where travel time was the main recurring theme.
26. The stakeholder group identified some important issues to consider when developing a commissioning based approach. Discussions highlighted that the use of zero hours contracts gave rise to a number of issues for home care workers including the impact on benefits and certainty around income. It was noted that where providers have begun testing this out through discussion with their workforce, contracted hours employment to their workforce, some of their workforce has indicated they would prefer to remain on zero hours contracts. Reasons stated have included flexibility and personal circumstances. What appeared critical though is that home care workers can be offered the choice to home care workers to move onto defined contracted hours rather if they wanted to.
27. However, the need to pay for travel time to ensure that workers who may choose to remain on zero hours contracts are not financially disadvantaged compared to others was noted.

### **Occupation sick pay schemes**

28. Stakeholder group discussions did not identify the need to provide occupational sickness cover as a key issue and it was noted that many providers do offer discretionary schemes as a safety net to provide cover over and above statutory sick pay provisions. The 'Task and Finish' group considered cost estimates of providing 4 weeks fully paid cover when considering the overall feasibility of making a commitment to progress on this issue in line with the

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<sup>1</sup> Carewatch is a 3 year research based project being carried out by Health Services Management Centre, University of Birmingham with AgeUK Southwark and Lewisham. It is looking at home care services, the role of lay inspection in assessing service quality gaining user experience and through convening home care worker focus groups the factors from a home care workers perspective that influence and affect the quality of service delivery.

principles of the charter.

29. As the charter's guidance to councils suggests a phased approach to adopting the charter's principles and stage 3 deals with occupational sickness cover it is suggested that further work through the development of a commissioning based approach will need to resolve the scope and level of cover required.

### **Wider quality drivers and key issues**

30. In relation to home care, there is a wealth of research on what drives best practice and influences quality that has been published by the following institutions and organisations over the last couple of decade: York Personal Social Services Research Unit (PSSRU), Kent PRSSU , Health Service Management Centre - Birmingham University, The Kings Fund, Nuffield Trust and Social Care Institute for Excellence.
31. From this evidence base there are recurring themes the research identifies and key factors that influence quality. These can be summarised as follows:
- The skills and competencies of staff and the importance of training and staff development. This has become and increasingly important as acuity of need is much higher than it was
  - Adopting a flexible approach linked to outcomes as opposed to more rigid time and task based approach and the importance of giving home care workers and providers more autonomy to deliver user defined outcomes
  - The importance of effective co-ordination and rostering of care visits, time needed to travel between visits and payment for travel time
  - Co-ordination with other services such as primary care, hospitals and health community services are important to the effectiveness of home care, particularly in reablement.
  - In user experience focused research, providing continuity of care is a key recurring theme and the importance of the relationship between the carer and the person receiving care
32. **Partnership and integrated working** - was a key issue identified by the stakeholder group and T&F group and is consistent with the research evidence. And from discussion of practical issues and case examples at the 'Task and Finish' and stakeholder group it is clear that partnership working with health and other social care professionals is critical to delivering good quality care. There are opportunities to embed this within the commissioning led approach, making sure that this informs the work of Southwark and Lambeth Integrated Care (SLIC), future priorities and investment that will come from new Integration Transition Funding and the emerging work around the Southwark CCG primary care strategy that is seeking to develop a more locality focus approach.
33. Critical to developing a partnership based approach will be engaging the right stakeholders across the council and NHS and it is recommended that the cabinet requires the strategic director of children's and adults' services to establish a project group that can embed principles of co-production and partnership working within the development of a commissioning based approach.

34. The commissioning strategy will need to recognise that, as the wider health and social care system seeks to respond differently to the challenges of an aging population and supporting people with long term conditions in the community, it is vital that the contribution that home care workers and home care service is valued by all professionals within the NHS and wider service area. For example strengthening the links with community health services and district nursing is one such area where better co-ordination could lead to improved quality of life and outcomes.
35. There are also opportunities to improve cross council working, for example in relation to supporting older people with care needs in sheltered housing and how this interfaces with landlord and warden functions. A recent review of sheltered housing and development of an enhanced housing management service identified that around 30% of sheltered housing residents also have care needs. The commissioning strategy will consider opportunities to align the new home care services with relevant health and housing resources.
36. **Training and development of the home care workforce** - the research evidence is very clear on the importance of investing in the training and development of the home care workforce. Recent work carried out by Skills for Care underlines this and the factors that contribute to a stable and well skilled workforce. This includes good communication within organisations and between partners, appropriate and focused training and supporting staff to have autonomy over their work. Where these can be achieved (by providers and through the commissioning approach and support provided by local authorities and health) the evidence shows that providers are generally more successful in recruiting and retaining the right staff and deliver better outcomes.
37. To support the current and future homecare workforce develop and enhance their skills and enable them to respond to the increasing demands of higher levels of acuity and more complex needs they are expected to manage in the community, the 'Task and Finish' group identified that action is required to improve the scope, availability and focus of training and development available to home care workers.
38. It is recommended that a workforce development group be established to devise a training and development programme to support existing providers and the wider system to improve quality in the short term and develop a longer term workforce development strategy in partnership with the NHS and provider organisations that can have a lasting impact on the training, development and support available to home care workers.

#### **OPTIONS APPRAISAL FOR ADOPTING THE CHARTER'S PRINCIPLES**

39. The 'Task and Finish' group identified four potential options to take forward delivering a commitment to the principles of the Charter and the wider vision and values developed by the stakeholder group:

##### **Option 1 - Implement the charter by varying existing contracts**

40. While this option potentially provides the quickest route with implementation possible by June 2014 when the current contracts reach the end of their initial term, the estimated cost of this option – which is not the recommended option – would be up to £4m.

41. A key issue for this option is that there would be little incentive for providers to bear any of this cost and there is a significant risk of legal challenge as the contract would have varied substantially from the arrangements put in place through the formal tender process that concluded 2010/11.

### **Option 2 - Bring home care services in house**

42. This option is likely to be more costly than Option 1 because there will be additional costs associated with CQC regulation and operating overheads (e.g. pensions, accommodation). The council no longer has the capacity or expertise to manage it in-house and would bear the risk as self-managed personal budgets increase of people choosing to make their own arrangements. In the future, as we redesign the health and care system to support further integration, further consideration could be given to specialist aspects of home care services that might be delivered in house subject to further cost benefit analysis.

### **Option 3 - Re-commission home care services to deliver our vision and best practice principles and meet the Charter's aspirations (Recommended)**

43. This option is recommended as it is most likely to support innovation and to achieve the quality improvements that the principles of the charter and our vision seek to deliver at better value. The option should be able to deliver the charter principles through service redesign at significantly lower cost than options 1 or 2. Competition and a partnership based approach mean providers would be more likely to bear a proportion of any additional investment needed and would be able to reduce some of their costs, for example on recruitment and retention.
44. Innovative approaches to service redesign could have some impact on commissioning costs and contract efficiency. For example, key issues such as adopting commissioning on a locality basis with care staff working smaller patches that reduce travel time could be designed into the approach. There would be scope to develop co-working in sheltered schemes with wardens to reduce silo working and possible duplication. Other options may include procuring on an annualised hours basis linked to users specified outcomes and an outcome focused delivery model with providers taking responsibility to tailor their offer to the individual.
45. This option would require cabinet to agree the commissioning strategy and procurement approach. It is recommended as the preferred approach and it is recommended that the strategic director of finance and corporate services is requested to do financial modeling and set aside a provisional sum in the budget. Subject to cabinet agreement, a project group will be established and report back to cabinet in June 2014 setting out the commissioning approach and associated procurement strategy. This should allow a tendering process and award of new contracts to complete by early 2015.



#### **Option 4 - Work with SLIC (Southwark & Lambeth Integrated Care) to commission an integrated service with Lambeth council and the NHS**

46. This option may have additional benefits but is likely to take significantly longer than single organisation commissioning. A commissioning strategy and procurement approach may be possible to develop by October 2014, however the tendering process is likely to be considerably more complex and may not complete until late 2015 / early 2016.
47. It should also be noted that under option 3 there is a clear emphasis on involving all relevant stakeholders, particularly health colleagues, so that what is commissioned can be better aligned with NHS services as Southwark's position on integration develops and is signed off by the Health and Well Being Board.

#### **Policy implications**

48. Home care services are used by the council as a means to comply with its statutory duties under the NHS and Community Care legislation and FACS statutory guidance.
49. The Council's Health and Wellbeing Strategy sets out as one of its three priorities the need to improve the experience and outcomes of care for our most vulnerable residents enabling them to live more independent lives.
50. Home care services are also key to the delivery of the council plan and fairer future promises ensuring that vulnerable people are supported to live independent, safe and healthy lives by giving them more choice and control over their care
51. With the home care workforce being predominantly made of people who live locally there are wider policy links to the Council's Economic Wellbeing Strategy. The implementation of the Charter which will lead to improvements the terms and conditions of this workforce which should in turn contribute to the local economy.
52. Any additional costs associated with meeting the council's aspiration to embrace the principles of the Charter, would also impact on the personal budgets rates paid across the social care system. This is because the level of direct payments individuals are entitled to is related to what it would cost the Council to arrange for care to be provided.

#### **Community impact statement**

53. Analysis undertaken to date has shown that the home care workforce in Southwark is made up of predominantly local women, a significant proportion of which are from BME groups. The current profile can be summarised as follows:
  - Across the councils two main contract the two providers employ in excess of 400 people.
  - Of these, approximately 82% are women and approximately 65.5% are from BME groups.
  - Providers have indicated that they do not have any staff who have declared

a disability under the Disability Discrimination Act.

- It is estimated that in excess of 80% of homecare workers live in Southwark

54. Demographics of people who receive care:

- Of 4600 people who receive care, approximately 64% are older people, with the remainder being people with learning disabilities, mental health or physical disabilities.
- Amongst the over 65's approximately 65% of these are women and approximately 37% are from BME groups.
- Amongst the under 65's approximately 47% of these are women and approximately 56% are from BME groups.
- All people receiving care meet the Fairer Access to Care Services (FACS) criteria of critical and substantial. This means they are all likely to be classified as having a disability.

55. Any changes that impact on the quality of care delivered will affect all adults social care client groups though it should be noted that older people represent the largest group of service users.

56. The full equalities impact of the council's intention to implement the charter will be considered continually throughout the development of the council's commissioning approach and any future recommendations to cabinet arising from this work will include a full assessment of their equalities impact.

57. It is however anticipated that by signing up to the charter and delivering on the charter will have a positive impact on the household incomes of some of our lowest paid residents, many of whom are from BME groups.

### **Resource implications**

58. All three options presented in this report would incur additional costs within the Children's and Adults' Services revenue budget. A funding growth bid would need to be submitted as part of annual revenue budget setting to meet this pressure.

59. Option 1 (implementing the charter by varying existing contracts) represents an estimated annual cost of up to £4m and proposes little incentive for this cost to be reduced. Option 2 (bring homecare services in house) is the most expensive option.

60. The recommended option, Option 3 (re-commission homecare services) would seek to encourage competition and reduce the estimated annual cost estimate of Option 1. This option would also allow for the possibility of bringing aspects of specialist home care services in house, if affordable.

61. If Option 3 is adopted then further financial modeling will be done as the procurement strategy is developed and contracts are tendered. The financial impact of new contracts is not expected to impact service budgets until 2015.

### **Consultation**

62. In January a focus group discussion took place with a mixture of voluntary, and for profit homecare provider organisations. This included the councils two main

contracted providers, providers delivering homecare under MAP arrangements and some spot purchase providers and informed the initial report to Cabinet in April 2013.

63. Following the report agreed at cabinet in April 2013 a Task and Finish Group was established comprising of care worker representatives, council officers, health and unison. The work of this group was supported by a wider stakeholder group, independently facilitated and this group had wide representation from home care providers, home care workers, lay inspectors, voluntary sector reps, social care commissioning and operational staff and carers. It also captured some direct user input via the facilitator.
64. Views have also been sought from a wide range of homecare providers working in Southwark via an email survey and the stakeholder group through its links with the AgeUk Care Watch project has been able to capture the early learning themes from this research based project that is looking at user led evaluation of the quality of home care services and the experience of home care workers delivering these services.
65. It is recognised that further engagement is necessary with users and other stakeholders and the Adult Social Care transformation team is developing the council's approach to co-production that will support the further work recommended in this report around the quality improvement based commissioning approach.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

66. This report requires the cabinet to note and approve a number of recommendations relating to the ethical care charter, and the council's intention to work towards its implementation, as detailed in paragraphs 1-7 of this report. It is proposed that a commissioning based approach is likely to be the most appropriate way to implement the charter, and this will be considered more fully in the procurement strategy (gateway 1) report which will follow.
67. The cabinet is advised that the council may include workforce conditions as part of its procurement (such as travel time/zero hours) but should only do so where this will achieve best value. This report outlines the work already undertaken by the Task and Finish Group, and as noted in paragraph 16 it is thought that the commissioning approach would achieve the greatest impact and value for money. This will be further considered when the procurement strategy is considered for decision, and further legal advice will be given at this point.
68. Paragraphs 39-47 sets out the alternative options considered. Option 1 considers the possibility of implementing the charter by varying the existing contracts. Legal advice has been given on this option, and it is correct that this could put the council at risk of challenge, if these contracts were to be amended to include the charter requirements as this is likely to represent a substantial variation to the contract. The director of legal services therefore supports the implementation of the charter being considered as part of a commissioning based approach.

69. Before approving any proposals Members should have regard to their equalities implications and consultation that has been undertaken. Paragraphs 53-65 sets out the equalities and consultation implications, which will need to be considered in more detail, including a full assessment of the equalities impact, as part of the gateway 1 approval.

**Strategic Director of Finance and Corporate Services (FC13/075)**

70. This report seeks cabinet agreement that a commissioning based approach is likely to be the most affordable way to implement the care charter. The financial implications are set out in paragraphs 58-61 and indicate the potential costs of all three delivery options.
71. The strategic director of finance and corporate services notes a likely budget pressure in 2015/16 of an amount to be modelled (see recommendation 2), which will need to be identified during the budget setting process.
72. It is expected that robust monitoring arrangements will continue to ensure the existing contracts continue deliver quality services. Officer time to implement this framework will be contained within existing resources.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
Unison Ethical Care Charter <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>		

**APPENDICES**

No.	Title
Appendix 1	Our shared vision for My Life at Home in Southwark
Appendix 2	A set of values for Home Care

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Catherine McDonald, Health, Adult Social Care and Equalities	
<b>Lead Officer</b>	Romi Bowen, Strategic Director Children's and Adults' Services	
<b>Report Author</b>	Jonathan Lillistone, Head of Commissioning Children, Families and Adults	
<b>Version</b>	Final	
<b>Dated</b>	8 November 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>		8 November 2013

## Our Shared Vision for My Life at Home in Southwark

Quality of life for those who need care is distinct from quality of care. Quality of life is about recognition and involvement of the individual and the need to connect with them through a healthy relationship in order to provide a truly personalised service. This raises the bar on their experience of care beyond best practice. The following eight themes, clustered under the headings of Personalisation, Transitions and Transformation are derived from the 'My Home Life' <sup>1</sup> evidence base and are felt by home care stakeholders in Southwark to be "human themes" which relate to the care of any older person wherever they live. Combined with the Six Senses Framework <sup>2</sup> which identifies a sense of **safety, continuity, belonging, achievement, purpose, and significance** being crucial for anyone to have quality of life, they are seen as the bedrock to support planning.

In order for this to truly achieve quality of life for those who need care in their own home, it is critical to apply the Six Senses Framework to home care staff as well as the users and carers at home. This will lead to health relationships, which is at the heart of 'relationship-centred care'. **The quality of life of all three parties is inextricably linked.**

### **PERSONALISATION: (SEE ME)**

#### **1. Maintaining identity**

*People who have care delivered to them in their own home value the opportunity to have this choice, as long as their identity within the space that is theirs is respected.*

Being cared for at home is all about maintaining a person's identity, which for someone with care needs, will be closely associated with what we understand by "home". This may be the place where a person brought up their family, where the story of their life is reflected through photographs and possessions collected over years and through the style and decor of their dwelling. A person's home reflects who they are. It is sacred to the individual and those entering this space are there by invitation.

#### **2. Sharing decision-making**

*A health, equal relationship between the person who needs care, a relative and/or friend, the home-care worker and any other involved professional (e.g social worker/community matron), means that there is a **shared** responsibility for the decisions to maximise a quality of life for the service user.*

This should happen naturally when professionals are invited to care for people in their own homes. Care workers can be fearful of issues relating to health and safety, or

<sup>1</sup> [www.myhomelife.org.uk](http://www.myhomelife.org.uk) My Home Life: Quality of Life in Care Homes published by Help the Aged 2006

<sup>2</sup> Mike Nolan et al. Sheffield University. 2006. The Six Senses framework underpinned the DH Dignity Campaign.

abuse and safeguarding which can make workers risk averse. People at home want to do “normal” things like us all. We must manage risk together, not avoid it, this requires us to be open-minded and imaginative. However, there must also be clear accountability for the person’s wellbeing by the provider and commissioners. We must get to know the user and their family carer, their families, networks and other professionals and communicate well to ensure that everyone knows what’s most important to the service user so they can live the life they wish. Starting with the service user, this is done by negotiating who bears responsibility if anything should happen to them, and incorporated into their care plan. Care workers need to understand issues relating to mental capacity in order to be clear when it is appropriate for decisions to be made on behalf of someone, in their best interests. This can be a fine balance for people with, for example, dementia or stroke and care workers must be adequately trained and supported by their employer and other professionals.

### **3. Creating communities**

*A personalised service requires a means for the user to stay connected within their community, whatever this means for them, to prevent isolation and loneliness and promote the sense of belonging.*

This relates directly to a service user’s Support Plan. Linking with the previous themes: the connections we have with our communities are a wider reflection of who we are, the choices we make and the relationships we have. Attending to these will help reduce the risk of depression and self-neglect which typically follow isolation and loneliness. When a person has care needs, they need their community to promote independence and choice, whether it’s for shopping, activities or just being sociable, and this should be covered in the Support Plan. For a home care worker to be “the ears and eyes of the Council”, they must be aware of the user’s links and contacts with the wider community and keep a weather eye out for these links to be maintained. Care at home is not just about visiting and doing tasks, it’s being mindful of the uniqueness of the individual and their belonging in their community.

## **NAVIGATION: (CONNECT WITH ME)**

### **4. Managing transitions**

*We are all on a journey through life and the changes in circumstances, environment and health have increasingly significant impacts as we get older. The changes affect us emotionally and care professionals need to recognise and understand the impacts of loss and change on service users, where they are in their life journey and the importance of the continuity of relationship and good communication.*

Transitions at home can be related to changes in personal circumstances which can lead to the need to engagement with services in different locations. Examples of the changes for older people are: retirement, loss of spouse/friends, increasing frailty, loss of independence, memory, relationships with friends. A person can easily become isolated in their own home. The requirements to make new relationships, with possible needs for care and support after experiencing loss may mean going to a day centre, having respite admissions to a care home or needing to go to hospital. Reablement is another example of a transition requiring an adjustment of approach from carers.

Managing transitions for people who have home care is about recognising loss, recovery, change, bereavement and helping a person bear the pain of grief of the losses. Home carers can help a person make the transition from home to care home/hospital and back again. Continuity of the relationship with home carers is crucial to help manage transitions well. This is about knowing how to work with someone, their idiosyncrasies, their preferences, remembering to make sure they have their personal effects that are meaningful to them when going somewhere new.

## 5. Improving health and healthcare

*More of us are living longer which means an increased incidence of age-related conditions. Care services need to be able to respond to more demand in numbers and complexity of cases. Healthcare services must support home-care workers on the frontline and work with their patients in a relationship-centred way.*

Very older people (85+) living in at home have a range of healthcare needs. The changing eligibility criteria and our increasing longevity mean that many people being looked after at home have substantial and complex needs which require the full range of healthcare services.

This is a major issue national issue. The gaps between health and social care affect people's quality of life at home. The user expects their care to be "seamless" and ideally, integrated. Some basic principles need to be shared and agreed. The care workers need to be well supported by the NHS (G.Ps, community matrons and the local acute trust). The expectations of care workers from other professionals and the public are increasing as more of what were traditionally 'nursing tasks' are now sitting with care workers – how is this supported and acknowledged?

## 6. Supporting good end-of-life

*When asked, most people who live at home wish to die at home or in a hospice with their loved ones with them and it's a relief for them to discuss their wishes. In practice, most people die in hospital or a care home.*

In society, there is a strong taboo about talking about dying and death, but it is important to have opportunities for discussion around this subject at a time conducive to older people. Home care workers could be the most appropriate people to open up these discussions with an older person which are very important to the individual and can be an unexpressed worry and emotional burden, being a barrier to quality of life. All involved in caring for older people should develop a "good death plan" with the person so that everyone knows what the person wants when they die. Their expectations can be heard and respected and they are more likely to die with dignity. This will benefit relatives and care workers as well as it's much easier to bear the loss of someone when preparations are previously made. It's crucial that care workers and families understand what to do to avoid unnecessary admissions to hospital so people can die at home but also understand when treatment is required. For example, if something happens outside what is expected or if it is not related to the illness / disability. Care workers at home need to know about Advance Care Planning (from the End of Life Strategy) so they can work with users and their families on this. There are practical issues with this. More understanding is needed on the therapeutic aspects of



care and support planning. This theme is closely related to the previous theme as a good death at home needs a joined-up multi-disciplinary team approach involving palliative care expertise.

## **TRANSFORMATION (*INVOLVE ME*)**

### **7. Our workforce**

*Our workforce in social care provides a critical role in our community. Society still fails to recognise the importance and worth of excellent care. This mirrors poor societal attitudes to those who need care. To counter this, home care workers need to be properly trained, valued, appreciated, heard and empowered. A shift in attitudes will create transformational change.*

In Southwark, we will recruit and retain the right people with the right attitudes and skills to provide high quality care and support to our service users. Raising the profile of a career in the profession will be our objective to ensure we are attracting and retaining high calibre people to work with older people in their own homes. The workforce in homecare is often expected to deliver quality with limited time to interact with users and without attention being paid to travel time. Many feel undervalued given the stigma attached to the work. They need to be properly trained and supported with fair working conditions that allow them to develop and grow in confidence and be proud of what they do. Our users and carers pick up on this and the lack of value given to care workers reflects badly on them. The way home care is commissioned needs to reflect this, with the users' view of what's most important for their quality of life being at the forefront. This means involving users, carers and providers and harvesting their expertise in the commissioning process.

### **8. Promoting a positive culture**

*The care organisations' culture needs to foster the conditions for good leadership and relationship-centred care in order to bring out the best qualities in the home care staff required by people with care and support needs and transform the experiences of service users.*

This reinforces the need for the providers to be commissioned in the right way, as the current working conditions for home care workers do not foster the right conditions to create quality of life for people in their own homes. This theme builds on the need to develop and grow the home care staff to meet the increasing challenges of the nature of the work. This must also be addressed by the NHS as well, developing home care staff without involving Health and Social Services will not be enough. Everyone needs to recognise the value of the care workers as equals. Regional managers need to see themselves as potential leaders, not feel victimised.

### A Set of Values for Home Care

Core values are the fundamental beliefs of a person or organisation. The core values are the guiding principles that dictate behaviour and action. Core values can help people to know what is right from wrong; they can help organisations determine if they are on the right path and fulfilling their business goals; and they create an unwavering and unchanging guide. There are many different types of core values and many different examples of core values depending upon the context. They help the shape the culture of an organisation.

The following four core values were agreed in the homecare stakeholder group. It is vital that the actions next to them are understood by everyone at every level in the organisation and ideally across all organisations involved in the care of an individual at home in Southwark. It is recommended that the values be used within organisations as part of recruitment, induction, supervision and appraisal **and** as a basis for strong partnership working across the system to support quality of life in home care. Everyone should model the behaviours required to make the values 'live' and not be meaningless words.

- **Respect** – we treat everyone with respect, empathy, compassion and dignity including respecting their culture
- **Integrity** – we stand by what we say, stand up for what we believe in and we don't promise what we can't deliver
- **Responsibility** – we don't shirk our responsibilities individually and as part of a team
- **Adaptability** – we keep moving and we respond to change; we use our imaginations to find new and better ways to do things.

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Southwark News	1		
South London Press	1		
<b>Members of Parliament</b>			
Harriet Harman, MP	1		
Tessa Jowell, MP	1		
Simon Hughes, MP	1		