

Cabinet

Tuesday 18 March 2014

4.30 pm

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

Membership

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

Portfolio

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

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

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Contact

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

Members of the committee are summoned to attend this meeting

Councillor Peter John

Leader of the Council

Date: 10 March 2014



Cabinet

Tuesday 18 March 2014

4.30 pm

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

Order of Business

Item No.	Title	Page No.
	PART A - OPEN BUSINESS	
	MOBILE PHONES	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
1.	APOLOGIES	
	To receive any apologies for absence.	
2.	NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
3.	NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED	1
	To note the items specified which will be considered in a closed 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.	MINUTES	2 - 17
	To approve as a correct record the minutes of the open section of the meeting held on 28 January 2014.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests.	
8.	QUARTER 3 CAPITAL MONITORING REPORT FOR 2013/14 AND CAPITAL PROGRAMME REFRESH FOR 2013/14 - 2023/24	18 - 66
	To note the general fund capital programme for the period 2013/14 to 2021/22 and the housing investment programme for 2013/14 and future years.	
	To approve the virements and variations to the general fund and housing investment capital programme, the new capital bids for the general fund, the new capital bids for the housing investment programme and the refreshed capital programme including new bids for the general fund and the housing investment programme. To note that further re-profiling of expenditure and resources for 2013/14 will be required.	
9.	REVENUE MONITORING REPORT FOR QUARTER 3, 2013/14, INCLUDING TREASURY MANAGEMENT	67 - 83
	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, the treasury management activity for the first nine months of 2013/14 and the forecast performance for the collection of council tax and business rates.	
	To approve the general fund budget movements that exceed £250,000.	
10.	RESPONSE TO THE EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE'S REVIEW OF BULLYING	84 - 90
	To agree the proposed response to the recommendations of the education and children's services scrutiny sub-committee's into the review of bullying.	

Item No.	Title	Page No.
11.	SCHOOL PLACES STRATEGY UPDATE	91 - 100
	To note the forecast demand for primary and secondary places, the associated need for additional school places and the approach for meeting primary demand.	
	To agree that officers bring an update report to the July 2014 cabinet meeting on the free school proposals in the south of the borough and options for new primary places in the north.	
12.	PERMANENT ENLARGEMENT OF ALBION, BESSEMER GRANGE, CHARLES DICKENS, CRAWFORD, GRANGE AND KEYWORTH PRIMARY SCHOOLS	101 - 107
	To note the outcome of the final consultation on the proposed enlargements of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth primary schools.	
	To agree to the enlargement of Keyworth primary school from September 2014, Albion, Bessemer Grange, Crawford and Grange primary schools from September 2015 and Charles Dickens primary school from September 2016.	
13.	JOINT CARERS STRATEGY AND ACTION PLAN	108 - 126
	To approve the joint carers' strategy and the action plan that sets out the pledges of health and social care to support carers in Southwark from 2013 – 2016.	
14.	BETTER CARE FUND - DRAFT PLAN FOR SOUTHWARK	127 - 141
	To note the draft vision for the integration of health and care related services and the summary of the draft Better Care fund plan. To agree to the proposed process for agreement of the final Better Care Fund and to note the proposed governance arrangements for the fund.	
15.	HOME OWNERSHIP, VOLUNTARY DISPOSALS AND NON-STATUTORY ACQUISITIONS	142 - 152
	To agree that the maximum discount allowable under the social homebuy shared ownership scheme is increased on a pro rata basis to the current statutory maximum available under the right to buy scheme.	
16.	SHARED EQUITY - AN ADDITIONAL REHOUSING ASSISTANCE ROUTE FOR HOMEOWNERS AFFECTED BY REGENERATION	153 - 171
	To approve the provision of a shared equity rehousing route for qualifying homeowners affected by regeneration.	

Item No.	Title	Page No.
17.	PHASE 1B AND 1C AYLESBURY REGENERATION	172 - 188
	To make a compulsory purchase order under section 226 of the Town & Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of the land and new rights for the purpose of delivering the regeneration of the Aylesbury Estate.	
18.	GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - DIRECTLY FUNDED HOUSING DELIVERY (PHASE 2) - PROCUREMENT OF PROFESSIONAL SERVICES AND CONSTRUCTION WORKS FOR VARIOUS SITES	189 - 205
	To approve the procurement strategy to set up framework arrangements for consultancy services to support the delivery of phase 2b and for construction works to support the delivery of phase 2a and 2b.	
19.	GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - CONSOLIDATED REPAIRS AND MAINTENANCE CONTRACT FOR THE COUNCIL'S OPERATIONAL ESTATE	206 - 221
	To approve the procurement strategy for the consolidated repairs and maintenance service contract for the council's operational estate.	
20.	WALWORTH TOWN HALL - AGREEING THE WAY FORWARD	222 - 251
	To note the outcome of the Walworth Town Hall consultation and agree the project mandate for the rebuilding of the Town Hall.	
21.	DISPOSAL OF 23 HARPER ROAD, LONDON SE1	252 - 257
	To authorise the disposal of the freehold interest in 23 Harper Road.	
22.	MOTIONS REFERRED FROM COUNCIL ASSEMBLY	258 - 274
	To consider motions referred from council assembly 22 January 2014:	
	<ul style="list-style-type: none"> • No recourse to public funds • Housing for older residents • Active communities and older people • Cost of child care • London Housing Strategy • Urgent review of cycle safety • Safer crossings on Borough High Street • East Dulwich Police Station • Billboard advertisement at Elephant and Castle Roundabout • Tribute to Grace Jones 	

DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING**PART B - CLOSED BUSINESS****EXCLUSION OF PRESS AND PUBLIC**

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

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

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

23. MINUTES

To approve as a correct record the closed minutes of the meeting held on 28 January 2014.

24. DISPOSAL OF 23 HARPER ROAD, LONDON SE1**DISCUSSION OF ANY OTHER CLOSED ITEMS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT**

Date: 10 March 2014

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

Cabinet 18 March 2014

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

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

This notice issued in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 is to confirm that the cabinet meeting to be held on 18 March 2014 at 4.30pm, Council offices, 160 Tooley Street, London SE1 2QH will be held partly in closed session for consideration of the following items listed on the agenda:

Item: 24 Disposal of 23 Harper Road, London SE1

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

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

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

Ian Millichap,
Proper Constitutional Officer

Dated: 10 March 2014



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 28 January 2014 at 4.00 pm at the Council Offices, 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Peter John (Chair)
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Dora Dixon-Fyle
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Victoria Mills
Councillor Veronica Ward

1. APOLOGIES

Apologies for absence were received from Councillor Catherine McDonald.

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

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

Item 7 – Deputation requests

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

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

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

In respect of item 7, Deputation request from Creation Trust and local residents from the Aylesbury Estate, Councillor Fiona Colley declared that she was chair of the Creation Trust. However she had received advice from the legal department that this was not a disclosable interest.

Councillor Richard Livingstone also declared in respect of item 16, Blackfriars Road Supplementary Planning Document that he was a governor at Lewisham and Southwark College (the Waterloo site) which was within the boundary of the SPD. Again, he had been advised that this was not a disclosable interest.

5. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

6. MINUTES

RESOLVED:

That the open minutes of the meeting held on 10 December 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 requests had been submitted in line with the constitutional deadline for the receipt of deputation requests and were therefore eligible for consideration by cabinet.

RESOLVED:

That the deputation requests be heard.

Summary of the deputations heard.

The Creation Trust and local residents from the Aylesbury Estate

The deputation stated that the residents of the Aylesbury Estate were supportive of the re-development of the estate and urged the council to agree the sign off of the development partner. The deputation explained that the residents have been involved in the consultation processes for over 13 years, including helping to shape the Aylesbury area action plan. During the procurement process they had worked closely with the regeneration team, believing that this contract will be the best chance of the delivery of new and affordable homes. The deputation want to ensure that the project finally delivers for the residents of the Aylesbury and bring the improved opportunities and environment for local residents.

Local residents in the Blackfriars Road

The deputation expressed their concerns about the draft Blackfriars Road supplementary planning document item contained elsewhere on the agenda. They felt that it would have a detrimental impact for the area if adopted. While not opposed to sympathetic development it was felt that the document should contain provisions, in particular with regard to building heights. The main point of the objection to the document related to building heights and it

was feared it could affect the community negatively and impact on the heritage and daylight aspects for residents. Additionally it was felt that vulnerable residents could be negatively impacted including sheltered housing residents.

8. CABINET MEMBERS RESPONSE TO DEPUTATION FROM THE SOUTHWARK ASSOCIATION OF STREET TRADERS (SAST) AND THE WALWORTH TOWN TEAM

RESOLVED:

That the response to the six point action plan proposed by a deputation of the Southwark Association of Street Traders (SAST) and the Walworth Town Team be noted.

9. SELECTION OF A PREFERRED PARTNER TO WORK WITH THE COUNCIL TO DELIVER THE REGENERATION OF THE AYLESBURY ESTATE

RESOLVED:

1. That the selection of Notting Hill Housing Trust (Walworth Unlimited) as the council's preferred development partner for the regeneration of the Aylesbury Estate on the terms as set out within the report be approved.
2. That authority be delegated to the chief executive to agree the final terms of the development partnership agreement and all associated contract documents with Walworth Unlimited (in consultation with the cabinet member for regeneration and corporate strategy) and to approve the award of the contract (Gateway 2).
3. That the selection of the second placed bidder, the consortium of L&Q\Countryside\Peabody (WE) as reserved partner be approved. In the event that it is not possible to agree the final terms of the development partnership agreement with Walworth Unlimited, that authority be delegated to the chief executive (in consultation with the cabinet member for regeneration and corporate strategy), to exclude Walworth Unlimited and revert to WE to agree the terms of a development partnership agreement to reflect its BAFO submission, provided that these terms conform with financial and commercial principles and the council's requirements set out in the report.
4. That the financial implications set out in paragraphs 137-146 of the report be noted.
5. That it be noted that the proposed Development Partnership Agreement will deliver £1.25m of funding over the years 2015-2020 for community development services in the Aylesbury area plus a long term income stream from the ground rents payable on the new private and intermediate units.

10. HOUSING REVENUE ACCOUNT - FINAL RENT-SETTING AND BUDGET REPORT 2014/15

Feedback from consultation meetings including Tenants Council was circulated at the

cabinet meeting. Additionally revised versions of Appendices A, D, E and F were circulated based on a predicated rent rise of 2.7%.

RESOLVED:

1. That a flat rate rent increase of 2.7% be applied to all housing revenue account (HRA) dwellings with effect from 7 April 2014. This percentage increase to be also applied to estate void and hostel properties from 7 April 2014.
2. That the council's response to the government consultation 'Social Rents in 2015/16' (Appendix I) and its implications for the council's letting policy, particularly the options put forward regarding setting rents for new-build and new-let tenancies at formula rent levels (paragraphs 34 to 37) of the report be noted.
3. That tenant service charges be set at the same level as 2013/14 as laid out in paragraph 38 of the report with effect from 7 April 2014.
4. That the standard charge for non-residential property (garages etc.) be set at the same level as 2013/14, as laid out in paragraphs 39 and 40 of the report with effect from 7 April 2014.
5. That heating and hot water charges be set at the same level as 2013/14 as laid out in paragraph 41 of the report with effect from 7 April 2014.
6. That sheltered housing charges be set at the same level as 2013/14 as laid out in paragraph 42 of the report with effect from 7 April 2014.
7. That it be noted that water and sewerage charges levied by Thames Water are liable to an inflationary uplift as set out at paragraph 43 of the report, but as yet the council has not been informed by Thames Water of what that increase will be.
8. That the revised housing revenue account (HRA) budget for 2014/15 (as set out in the revised Appendices A, D, E and F) be noted.

11. POLICY AND RESOURCES STRATEGY 2014/15 TO 2016/17 - PROVISIONAL SETTLEMENT

RESOLVED:

1. That the current balanced general fund budget proposals for 2014/15 following work undertaken to identify savings and efficiencies, including increased levels of inflation and commitments identified by departments since the report submitted to 22 October 2013 cabinet be noted.
2. That it be noted that the government's Autumn Statement was delivered on 5 December 2013.
3. That it be noted that the provisional settlement for Southwark council was received on 18 December 2013, and that the final settlement is expected to be confirmed in early February 2014.

4. That it be noted that this report was considered by the overview and scrutiny committee on 20 January 2014 and that there were no recommendations arising.
5. That it be noted that this report includes the 2014/15 provisional settlement figures, and with the use of reserves of £6.2m presents a balanced budget for 2014/15.
6. That the further £33.5m funding reduction announced within the illustrative figures for 2015/16 and the impact on the council following four successive years of significant savings be noted.
7. That an additional £800,000 contribution from reserves to the welfare hardship fund set up in 2013/14 be noted and that officers examine how funds can be more quickly directed to help those in financial difficulty.
8. That officers be instructed to take steps early in the new financial year to plan for the additional resources, efficiencies and savings that will be required to deliver a balanced budget in 2015/16, based on the illustrative figures supplied.
9. That representation be made to Ministers on the 2015/16 draft settlement and its impact on the council.
10. That the proposals in the report for a balanced budget based on a nil council tax increase for 2014/15 be agreed for recommendation to council assembly on 26 February 2014. Budget schedules are set out in Appendices B - E.

NOTE: In accordance with overview and scrutiny procedure rule 22.1(a) (budget and policy framework) these decisions are not subject to call-in.

12. VISION FOR A NEW HOUSING STRATEGY FOR SOUTHWARK

RESOLVED:

1. That the vision for a new thirty year housing strategy for Southwark for the period 2015-2045 as set out in paragraph 29 of the report be agreed.
2. That the next steps for the development of the new housing strategy, including stakeholder engagement, as set out in paragraphs 30 to 35 of the report be noted.

13. DEVELOPING LONG TERM PLANS FOR THE DELIVERY OF NEW COUNCIL HOMES

RESOLVED:

1. That the New Homes Housing Investment Plan report independently prepared by Savills UK (Appendix 1 of the report) and in particular the conclusions of that report and the suggested next steps set out at paragraph 8 of the report be noted.
2. That the ongoing development of a new long term housing strategy and local plan for the borough that will support delivery of the investment plan be noted.

3. That officers be instructed to further develop the investment plan and take appropriate action to build up the necessary development capacity to deliver the plan, reporting back to cabinet in July 2014.

14. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: SPECIAL EDUCATIONAL NEEDS AND/OR DISABILITY SCHOOL BUS TRANSPORT

RESOLVED:

That the procurement strategy outlined in the report for the SEND school bus transport service to undertake a competitive tender process to appoint a contractor to provide these services (for a period of five years and eight months) with a commencement date of 1 January 2015 and ending on 31 August 2020 with an estimated annual value of £1.95m be approved. The contract will have an extension provision for a further two periods of twelve months making an estimated total contract value of £15.9m.

15. CONSISTENT RESPONSES TO ANTISOCIAL BEHAVIOUR

RESOLVED:

1. That the findings of the systemic service review of our antisocial behaviour (ASB) responses undertaken by officers from across the council be noted.
2. That the implementation of a Southwark Landlords Charter (Appendix 1 of the report) for handling all reports of antisocial behaviour, including standards of service based on our current minimum standards for antisocial behaviour be agreed. This includes:
 - Every complainant having a named point of contact who will deal with their case.
 - Closer cross departmental working and a case management approach to noise complaints.
3. That the progress made so far by officers to improve services for all victims of antisocial behaviour, as per the outcomes of the review be noted.
4. That it be noted that this report is the first stage of a review of the council's and partners' approach to addressing anti social behaviour in light of the new legislation and changing needs of our communities. That officers be instructed to report back in summer 2014 in more detail, including operational opportunities and implications.
5. That the proposed communications as part of the community reassurance strategy, to enhance the council's reputation for helping people to feel safe which will highlight the activity that the council is undertaking to tackle crime, anti-social behaviour and their underlying causes be noted.

16. BLACKFRIARS ROAD SUPPLEMENTARY PLANNING DOCUMENT

A letter that was sent to Councillor Fiona Colley and cabinet members in relation to the Blackfriars supplementary planning document was circulated at the meeting. This letter from Cathedrals ward councillors made representations in respect of this supplementary planning document.

RESOLVED:

1. That the Blackfriars Road Supplementary Planning Document (SPD) (Appendix A of the report) be adopted.
2. That representations received on the draft Blackfriars Road SPD and the officer comments to the representations (Appendix B) be noted, and that the tracked change version of the Blackfriars Road SPD which takes into account the representations received on the draft Blackfriars Road SPD (Appendix C) also be noted.
3. That the consultation report (Appendix D), the updated equalities analysis (Appendix E), the updated sustainability appraisal (Appendix F), the sustainability appraisal statement (Appendix G), the appropriate assessment (Appendix H) the updated urban design study (Appendix I) and the updated business and retail background paper (Appendix J) be noted.

17. LAND AT SOUTHAMPTON WAY AND NEW CHURCH ROAD CAMBERWELL

RESOLVED:

1. That the council make a Compulsory Purchase Order under section 226(1)(a) of the Town & Country Planning Act 1990 (as amended by section 99 of the Planning and Compulsory Purchase Act 2004) and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of the land and new rights within the areas edged black and numbered 1-6 on the plan at Appendix 1 of the report for the purpose of improving and extending Burgess Park in accordance with the provisions of the saved policies of the Southwark Plan 2007 and the Core Strategy 2011.
2. That the head of property be authorised to:
 - a) take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Order including the publication and service of all notices and the presentation of the council's case at Public Inquiry should one be called
 - b) acquire all interests in land within the compulsory purchase order areas either by agreement or compulsorily
 - c) approve agreements with land owners setting out the terms for the withdrawal of objections to the Orders, including where appropriate seeking exclusion of land from the Orders and
 - d) amend the boundaries of the Sites shown edged black on the plan at Appendix

One should the need arise.

18. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

RESOLVED:

Local Business and Enterprise

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

1. That council assembly welcomes this administration's commitment to supporting our residents and businesses in tough economic times and the difference this administration is making to jobs and growth across our borough.
2. That council assembly notes the council's recent economic wellbeing strategy and its important commitment to:
 - Narrow the gap between the Southwark and London employment rate
 - Make Southwark the place of choice to start and grow a business
 - Get our town centres and high streets thriving
 - Promote financial independence and resilience.
3. That council assembly welcomes the steps that the council has already taken to progress these ambitions. Council assembly further warmly welcomes the £1 million business support fund, the £1 million of youth fund a year through to 2016/17, focused on employment and assisting young people to remain in education and training and the council's ongoing commitment to securing jobs, training and employment support through section 106 and community infrastructure levy agreements with developers.
4. That council assembly recognises the progress this administration has made including:
5. That council assembly warmly welcomes the commitment of this administration to keep making a difference, including by:
 - Supporting 200 Southwark start-ups and small to medium enterprises (SMEs) to get investment-ready, helping to secure over £2 million worth of finance for Southwark businesses and making sure it is Southwark residents that get the job opportunities arising from this business growth
 - Supporting Southwark businesses to be 'fit to compete' for public and private sector contract opportunities, securing contracts with a value of £1.2 million this year and £3 million by the end of 2015
 - A £600,000 town centre growth initiative to help business-led groups to reinvigorate their local high streets.
6. That council assembly regrets the abject failure of the Tory Liberal Democrat

government to introduce policies that would maximise the huge opportunities of regeneration in Southwark and the huge talent and potential of our residents and to instead oversee three years of austerity-induced stagnation and continuously failing living standards across the UK. Council assembly further regrets the decision of the Tory Liberal Democrat government to scrap Labour-backed schemes such as the future jobs fund which helped to get unemployed people into work, and which was scrapped by the government despite a report from the Department for Work and Pensions which showed it produced a net benefit to society of approximately £7,750 per participant.

7. That council assembly welcomes the cabinet's commitment to prioritise delivering jobs and growth across Southwark and urges them to continue to prioritise these efforts so that Southwark is a place where residents can get on and where businesses and high streets can continue to thrive.

Small Business Saturday

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

1. That council assembly commends the council's efforts to encourage people to shop locally and assist small businesses in their communities by supporting the Small Business Saturday campaign.
2. That council assembly resolves to call on cabinet to back local businesses throughout the borough, to do all they can to ensure the East Dulwich Cracker, taking place on Small Business Saturday, is a roaring success and continue to support the Herne Hill Christmas re-launch of those businesses affected by the August floods, taking place on 14 December, to help bring back much needed foot fall to Herne Hill.

Introducing a Supermarket Levy

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

That council assembly:

1. Welcomes Labour's commitment to reverse the Tory - Liberal Democrats' government cut in corporation tax from 21 per cent to 20 per cent.
2. Welcomes the £1 billion this policy would save over two year's and Labour's commitment to use this revenue to reduce business rates on properties and commercial premises with an annual rental value of £50,000 or less, providing a much needed boost to small businesses across Southwark
3. Notes the Local Works campaign for a levy on large supermarkets and the use of such a scheme across the entirety of Northern Ireland.
4. Believes that to minimise any risk to Southwark residents, many of whom work and shop in large retail outlets in the borough, the best approach to a supermarket levy

would be a pan-London one.

5. Therefore call on cabinet to:

- Approach the Mayor of London to bring together all London boroughs to consult on introducing a supermarket levy
- Discuss this proposal with neighbouring councils to ensure a joined up approach to local business in South London.

Payday Lenders

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

That council assembly:

1. Notes with concern the increase in “payday loan” outfits in our high streets, particularly in Peckham, the Walworth Road, Southwark Park Road and Tower Bridge Road.
2. Recognises the negative effect these lenders can have on people on low incomes, particularly given the very high interest rates that are often charged, and the tactics used by many lenders to encourage borrowing while failing to disclose the true cost of loans.
3. Believes lending of this kind is both socially and financially irresponsible and calls for all political parties in Southwark to support and prioritise alternative affordable models of lending.
4. Welcomes the cabinet’s announcement that Southwark residents will face less exposure to payday lenders following the agreement from two of the council’s billboard advertising contractors not to display payday loan adverts. Council assembly urges the council’s other contractor, JC Decaux, to follow this example and end payday loan advertising in Southwark.
5. Recognises the importance of small businesses for the local economy and acknowledges that these businesses are often ‘priced out’ of our high streets, allowing an increased number of payday lenders to open shops.
6. Praises the work of the London Mutual Credit Union for their commitment to responsible lending in the borough and encourages the council to further promote credit unions as an alternative to irresponsible payday lenders.
7. Welcomes the commitment of the cabinet member for communities and economic wellbeing to work with officers to make it more difficult for payday lenders to open on our high streets, including tackling payday loan shops through planning powers.
8. Welcomes the council's groundbreaking approval to bring into force Article 4 planning directions on change of use to help protect our high streets. This makes Southwark the first authority nationally to make such a change.

9. Urges cabinet to call on government to follow Southwark's lead in finding new ways of tackling the scourge of payday lenders on our high streets and better supporting local businesses.
10. Welcomes that councils are now able to vary business rates under the Localism Act (2011), and calls on cabinet, in consultation with community councils, to introduce relevant local business rates discounts and exemptions to encourage mixed high streets.

Bermondsey Business Improvement District

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

That council assembly:

1. Congratulates the Bermondsey Business Association on the work they have done on supporting local businesses in Bermondsey and improving the local economy.
2. Supports the Bermondsey Business Association in their bid to create a business improvement district (BID) in Bermondsey.
3. Welcomes the council's £30,000 investment in Bermondsey through the community restoration fund which allowed the Bermondsey Business Association to start a full BID proposal and the council's continuing support to help make sure the BID becomes a reality.
4. Recognises the economic benefits that the creation of a BID will bring to the area, including marketing The Blue as a new and alternative shopping destination, partnering with existing and successful business districts such as Bankside and Borough Market, promoting the interests of The Blue and exploring opportunities for managing retail units as well as other initiatives to increase footfall, attract new businesses and further revitalise the town centre.
5. Also recognises the spate of burglaries which have occurred recently in and around The Blue, and commits to working with the police and other relevant partners to ensure the issue is tackled swiftly.
6. Welcomes Simon Bell opening the new butchers' shop in the Blue
7. Thanks Russell Dryden as the chair of the BBA and the work of the South Bermondsey Partnership in getting the Blue to a place where it is today.
8. Recognises that some shops in the area have been empty for many months, and calls on council to ensure that any prospective new businesses will add benefit to the area and its shopping mix.
9. Calls on the cabinet member for communities and economic development to continue to work with the Bermondsey Business Association to ensure that Bermondsey businesses have the support they need to thrive.

Whitworth House

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

1. That council assembly welcomes the £130 million plus which has been spent (excluding the Leathermarket JMB) on this council's flagship warm, dry and safe (WDS) housing investment programme, which is on course to be fully complete by 2015/16. Through the WDS programme, funding to address the highest risk high rise blocks identified through fire risk assessments has been done, with over 5,000 individual boilers replaced and over 100 lifts refurbished. The major works programme continues to deliver for residents through a mixture of partnering contractors and traditional procurement. All of the original two year programme will complete this year (except for the Hawkstone). The 2012/13 programme is on site or completed and most of the 2013/14 is due on site this year. In addition the popularity and success of the WDS programme has allowed an estimated nearly £15 million of works to be brought forward from 2014/15 and another £13 million works from 2015/16 to commit in 2014/15.
2. That in addition the council assembly welcomes the new 100% target for tenancy checks which picks up repair and damp issues irrespective of major works noting that 60% tenants have been visited to date this year.
3. That council assembly notes that through this programme residents' concerns with the partnering contractors have been acted on immediately and that the council has already terminated two poorly performing contracts and installed a new framework for contractors to provide more choice than the current partnering arrangements. An example of this is Whitworth House, Falmouth Road on the Rockingham Estate, where in response to residents' concerns the council has tried to end the on-going relationship with the contractor on a mutually agreeable basis.
4. That in order to achieve this council assembly calls on the cabinet to:
 - Ensure all residents are visited to individually assess the outstanding issues relating to damp, repairs and door and window replacement as part of the major works and completions and through the 6 months and 12 months defects periods before any payment is made.
 - Agree with each resident a plan and timetable for resolving each issue by December before full and final payment is made.
 - Arrange for close supervision of the replacement contractor to ensure completion of the outstanding issues.
 - Provide compensation to the residents for the missed appointments and disruption for missed appointments
 - Review the management and oversight of major works and ensure that the WDS programme is subject to ongoing scrutiny through the major works core group composed of contractors, residents and officers and chaired by the cabinet member for housing management.

Pop Up Shops on Canada Water Plaza

That the motion referred from council assembly as a recommendation to cabinet, set out

below be agreed.

That council assembly:

1. Notes that several of the units for let on Canada Water Plaza, which are part of the new development, are currently empty.
2. Notes the success of temporary 'pop up shops' in vacant retail units in East Street and Nunhead and considers this a good use of otherwise empty units to promote local business, develop the local economy and improve our high streets.
3. Calls on cabinet to:
 - Explore the possibility of the council taking a one year lease for the empty units on Canada Water Plaza
 - Work with the owners of the shops on Canada Water Plaza to use these empty units as 'pop up shops', similar to those in East Street and Nunhead.

Ending Council Investment in Tobacco and Arms

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

That council assembly:

1. Welcomes the commitment of the leader of the council to undertake a survey of current and former staff who are members of the borough's pension scheme to understand their views on investment into Southwark's pension scheme, including issues around ethical investment.
2. Recognises that decisions on individual investments in the pension fund are made by the strategic director of finance and corporate services, on the advice of our cross-party pensions advisory panel, which has equal representation from each of the three main political parties.
3. Acknowledges that the council's pension fund has a legal duty to put the financial wellbeing of members of the pension scheme as its foremost concern.
4. Further acknowledges that a £200 million funding gap already exists in the council's pension fund, which could become even larger if the council chose to invest in areas that do not provide a substantial return. Council assembly notes that this could open up the prospect of law suits from members on the basis that the council was not investing in their best interests. It also notes that riskier investments would impact on future actuarial reviews of the fund, resulting in a need for larger contributions to the fund from the council and other members of the scheme. This in turn would require new savings from elsewhere in the council budget to fund.
5. Notes that investments in the council's pension fund have remained largely unchanged since the previous administration and welcomes the fact that, after years of inaction from the Liberal Democrats, Labour is now working with the cross-party

pension advisory group to find more ethical ways of investing in the pension fund.

6. Welcomes the agreement at the most recent pensions advisory panel meeting in September to further explore the adoption of ethical investment principles and further welcomes the commitment from the leader of the council that, subject to ensuring the best return for members, investment in some firms could be stopped. Council assembly calls on the pensions advisory panel to carefully consider how this can be done without negatively impacting the ability to pay employees who have invested in the fund in good faith during their working lives.

Fairtrade

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

1. That Southwark Council achieved Fairtrade borough status in July 2007 with cross-party support. Council assembly recognises the work of the whole community in achieving this.
2. That given the council's proactive role in supporting Fairtrade, council assembly reconfirms its commitment to Fairtrade and expresses its support for the use, expansion and promotion of the range of Fairtrade products in the council's office and other establishments.
3. That council assembly calls on cabinet to continue to work with its catering contractors, staff, residents, visitors, businesses, the public and the voluntary sector to increase the availability and take up of 'Fairtrade' marked food, drink and clothing options.

Stop the Delay on Southwark Park Athletics Track

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

That council assembly:

1. Notes with sadness the state of disrepair into which Southwark Park athletics track has fallen after 8 years of inaction, and welcomes the allocation of £1.09 million from various funding streams to redevelop the facility.
2. Further notes that the £1.09 million raised includes Olympic Legacy Funding for renewal work on the track and field. A capital bid will be made for 2014/15 for the remainder of the funding required to realise plans for a full development of the site, including re-modelling of the building and changing facilities.
3. Council assembly welcomes the current administration's commitment to the completion of all the projects funded by the Olympic Legacy Fund'.

Support for the British Nuclear Test Veterans Association

That the motion referred from council assembly as a recommendation to cabinet, set out

below be agreed. It was noted that the deputy leader and cabinet member for housing management would write a letter in respect of recommendation 6 below.

That council assembly:

1. Notes that its commitment to the Armed Forces Community Covenant ensures the need of those residents of Southwark who serve, of have served, the country are recognised and supported at a local level.
2. Further notes that many other residents have, through a range of professions, served the country in equally significant measure, such as in national security and defence – including those who participated in the testing of Britain’s nuclear weapons in the 1950s and 1960s.
3. Welcomes that, following a Ministry of Defence commissioned Health Needs Analysis in 2011 of British nuclear test veterans, the NHS have introduced a number of practical measures to support them.
4. Believes that other parts of the public and voluntary sector should seek to introduce similar measures to support nuclear test veterans – and that the council should lead this at a local level by extending the provisions of the Armed Forces Community Covenant to those veterans who live in Southwark.
5. Urges the government to support the campaign of the British Nuclear Test Veterans Association by:
 - officially recognising the unique service of these veterans and acknowledge the nation’s continuing debt to them; and
 - supporting the intention to establish a benevolent fund of £25 million to provide assistance for those veterans and their descendants in need.
6. Calls on Southwark’s Members of Parliament to back this campaign and join the council in urging the government to support the requests outlined in this motion.

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 104 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 10 December 2013 were approved as a correct record and signed by the chair.

20. SELECTION OF A PREFERRED PARTNER TO WORK WITH THE COUNCIL TO DELIVER THE REGENERATION OF THE AYLESBURY ESTATE

The cabinet considered the closed information relating to this item. See item 9 for decision.

21. LAND AT SOUTHAMPTON WAY AND NEW CHURCH ROAD CAMBERWELL

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

Meeting ended at 6.20pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, THURSDAY 6 FEBRUARY 2014.

WITH THE EXCEPTION OF ITEM 11 (POLICY AND BUDGET FRAMEWORK), THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.

Item No. 8.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Quarter 3 Capital Monitoring Report for 2013/14 and Capital Programme Refresh for 2013/14 -2023/24	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

Southwark Council is proud to have one of the most ambitious capital programmes in the country. This report does two things: it shows the progress being made in carrying out that programme during the current year and it sets out the programme for the future as part of a ten-year vision.

Performance

On the general fund capital programme, the monitor for 2013/14 currently shows a favourable variance of £22.7m projected for the year. The report details the reasons for this in paragraphs 39-99: in some cases, the council has secured better value for money than originally planned, in others there is some slippage in the projects. Summary figures are shown in appendix A.

On the Housing Revenue capital programme, the monitor projects a favorable variance of £3.3m has been achieved for 2013/14 - a relatively small figure given the £121m programme budget for the year. Details are set out in appendix B, with details explained in paragraphs 100-118.

Appendix C of the report sets out virements and variations to the programme, including how these will be financed.

Future programme

Appendices D-H set out the additions to the programme for cabinet to agree. Further detail can be found in paragraphs 120-198. These proposals include:

- The largest new proposal set out in this report is the injection of a further £1.042 billion for the Housing Investment Programme over the next ten years. **£985m** of this is to roll out the next stage of the Warm, Dry and Safe strategy including work to provide new **kitchens, bathrooms, lifts, external and communal decorations** throughout the council's housing. It will also pump-prime the next steps in the council's plans to build new council homes.
- There is **£16m new funding to create additional primary school places.**

- A **new centre for adults with autism** will be built for £12m.
- **£13m will be invested to improve the quality of the borough's roads**, along with a **£500k a year programme to improve the infrastructure for cycling**.
- Money will be invested in our parks, including **£6m to further improve Burgess Park**.
- Money will be provided to refurbish **Southwark Park Athletics Track and providing new pavilion and changing facilities there**.
- We will invest to make the council's buildings more energy efficient.
- **£20m will be invested to rebuild Walworth Town Hall and Newington Library** and making them modern facilities serving the needs of the community for the twenty-first century.
- A high spec temporary **library will be provided at Elephant & Castle** whilst the Newington Library is being rebuilt.
- £2m will be invested to rebuild **Mint Street Adventure Playground**.
- £995k will be invested to make further **improvements at Peckham Rye Park**. This work will complement that already agreed for rebuilding the Peckham Rye Playroom.
- **New community buildings will be built at Sumner Road and Acorn Estate**, alongside the new homes being built at both sites.
- A total of £4m invested to **improve shopping areas** across the borough.

RECOMMENDATIONS

That cabinet:

1. Notes the general fund capital programme for the period 2013/14 to 2021/22 as at 31 December 2013, as detailed in Appendix A.
2. Notes the housing investment programme for 2013/14 and future years as at 31 December 2013 as detailed in Appendix B.
3. Approves the virements and variations to the general fund and housing investment capital programme as at 31 December 2013, as detailed in Appendix C.
4. Approve the new capital bids for the general fund for the period 2013/14 to 2023/24 as shown at Appendix D and detailed in paragraphs 120-178.
5. Approve the new capital bids for the housing investment programme for the period 2013/14 to 2021/22 as shown at Appendix E and detailed in paragraphs 179-198.
6. Approve the refreshed capital programme including the new bids for the general fund (as shown in Appendices F and H) and the housing investment programme

(as shown in Appendix G) and notes that further re-profiling of expenditure and resources for 2013/14 and future years will be required in the future based on more up to date information available at that time.

7. In view of the comments on paragraphs 199-202 on the projected financial position over the 10 year capital programme, agree that the Strategic Director of Finance and Corporate Services monitors this situation closely and work with strategic directors on the profiling of capital expenditure and explore other funding options, if required, to ensure the capital programme can be sustained over the long term.

BACKGROUND INFORMATION

Capital Monitor

8. The Quarter 2 capital monitor report to cabinet in November 2013 indicated that expenditure of £23m had been incurred on the general fund capital programme against a budget of £95.3m with a projected a favourable variance of £15.1m against the budget expected by financial year end.
9. The Quarter 2 capital monitor report also reflected spend of £34.3m on the Housing Investment Programme against a budget of £131.2m and projected a small favourable variance of £3m expected by financial year end.
10. This report sets out the re-profiled budget and forecast outturn position for 2013/14 and futures years for the General Fund and the Housing Investment Programme as at Quarter 3 2013/14.

New Capital Bids

11. On 25 September 2012 cabinet approved the refresh of the 10 year capital programme for the period 2012/13 to 2021/22. At that meeting, cabinet approved additional capital bids of £59.9m for the general fund and agreed a total capital programme for the general fund of £387.2m for the period up to 2021/22. At that meeting, cabinet also noted the Housing Investment Capital Programme of £397.5m for the period up to 2015/16.
12. The cabinet report of 25 September 2012 also agreed that the Strategic Director of Finance and Corporate Services presents an updated capital programme refresh in early 2014 and this reports sets out the refreshed capital programme for both the General Fund and Housing Investment Programme for the period up to 2023/24.
13. The total value of the capital programme for the Council, if cabinet approves the new capital bids included in this report, will equate to over £2b for the period 2013/14 to 2023/24 and the proposed 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 Southwark.
14. 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.

15. Robust and continued monitoring of numerous schemes across the departmental capital programme and the complexities of managing a capital programme of this magnitude will inevitably leads to some variations in the expenditure within and between financial years. This requires re-profiling of the budgets, as recommended in this report.
16. This report sets out the re-profiled budget and forecast outturn position for 2013/14 and future years, including the new capital bids for the General Fund and the Housing Investment Programme (HIP) as at 31 December 2013.

KEY ISSUES FOR CONSIDERATION

General Fund Capital Spend

17. This report shows a re-profiled general fund capital budget for 2013/14 of £96.8m. Expenditure of £36.8m was incurred as at 31 December 2013, equating to 38% to the annual budget. The total projected spends for 2013/14 is £74m and the summary position by departments is reflected in Appendix A.

Housing Investment Programme Spend

18. The 2013/14 budget 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 £121.2m and the monitor indicates that expenditure of £59.7m has been incurred as at 31 December 2013, showing a spend of 49% to budget. The total projected spends for 2013/14 is £117.9m with the majority of the expenditure being incurred on the numerous works within the Warm, Dry and Safe programme. Details of the Housing Investment Programmes by schemes and the summary position are reflected in Appendix B.

Resource implications

19. The council's capital resources come from a variety of sources, which were detailed in the capital monitoring report to cabinet in September 2013. They 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
20. 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 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. Officers undertake regular monitoring to assess income to date, forecasts and

changes.

21. 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 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.
22. 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. This identifies new resources, makes changes to the planned use of resources at an organisational level as projects complete or new projects emerge.

Section 106 and Community Infrastructure Levy (CIL)

23. The September 2013 report to cabinet explained Section 106 (S106) agreements, otherwise known as planning obligations, and the Community Infrastructure Levy (CIL) as one of the sources for funding the capital programme.
24. A draft charging schedule was published in April 2013 for the CIL followed by a consultation as the council is working towards a 2014 adoption date for its CIL. The funding available for the capital programme will be updated once the charging schedule for CIL is finalised. CIL may only be used to support qualifying, appropriate schemes.

New Homes Bonus

25. The September 2013 report explained the New Homes Bonus (NHB). In accordance with a cabinet decision of 21 June 2011, 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.
26. The same level of revenue commitment is assumed in forecasts for future years to 2016/17, with 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 identified as part of the future revenue budget setting process. Any resulting impact on the capital programme will be reflected in the first available capital monitoring report.

Contributions from Earmarked Reserves

27. Reserves are funds set aside from favourable variances in the revenue and capital budgets. They can also be planned contributions to meet contractual commitments or future expenditure plans which may include risks or liabilities that arise at a later date. The three reserves which have relevance for funding the capital programme are outlined below:
 - 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

28. The council operates a ten-year disposals programme and the planned disposals generate capital receipts which the council can use as a funding source to finance capital expenditure.
29. 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 to ensure adequate funding for 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.
30. As at 31 December 2013/14, £20.1m and £13m had been received from the housing and general fund receipts respectively for the financial year 2013/14.

Capital Grants

31. The council uses of a range of grants to fund capital expenditure and in each case funding conditions are met to demonstrate that grants have been applied for the purposes given and audit trails are maintained.
32. At 31 December 2013/14, £39.5m grant had been received including £14.3m of education related grants and £5.9m secured through S106 agreements.

Programme position at Quarter 3 2013/14

33. Appendix A provides a summary of the general fund programme position as at 31 December 2013. This shows a total expenditure budget of £339.6m budgeted over the programme from 2013/14 to 2021/22.
34. Appendix B gives a summary of the housing investment programme position as at 31 December 2013. This shows a total expenditure budget of £502.3m over the programme for 2013/14 and future years.
35. Appendix C provides details of the budget virements and variations arising in quarter 3 of 2013/14.
36. The capital bids refreshing the current programme are set out in Appendix D and E for the general fund and housing investment programme respectively and detailed in the following paragraphs within this report under New Capital Bids.

The updated programme position is reflected in Appendix F and H for the general fund and Appendix G for the housing investment programme.

37. 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 on Quarter 3 Capital Monitor Position

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

GENERAL FUND (APPENDIX A)

Children's and Adults' Services

39. In summary, at quarter 3 the capital programme across Children's and Adults Services is £96.1m; with an annual 2013/14 budget of £19.7m. Expenditure incurred to date is £5.3m with an additional £1.2m cost to be allocated to the capital projects making total expenditure of £6.5m. The forecasted expenditure for 2013/14 is £13.9m.

Children's Services

40. The revised capital programme for 2013/14 to 2021/22 is £88m adjusted for a virement to the Chief Executives of £0.8m for Peckham Rye play rooms. The annual budget for 2013/14 is £15.4m; expenditure incurred to date is £6.5 and the forecast expenditure for 2013/14 is £12.3m; resulting in £3.1m of budgets to be re-profiled into future years.
41. Of the £6.5m spend at quarter three; £2.8m is for Southwark Park Primary School which is opening next year. The major permanent expansion at Lyndhurst School entered into contract and so far £1.2m has been spent.
42. The key reasons for the favourable variance of £3.1m for 2013/14 which needs to be re-profiled into future years are:
- Over the summer holidays temporary expansion took place at 9 schools the total forecasted expenditure is £2.1m against the £2.5m budget arising from favourable tenders.
 - The £750k 2013/14 budgeted works at Cherry Garden School have been re-profiled to 2014/15 as a result of ongoing consultation.
 - A further £1.4m has been re-profiled for the Primary Expansion and Condition Programme as a result of ongoing negotiations with schools and statutory consultation.
43. There are also some cost variances expected across the budgets of some schemes and these budget virements are reflected in Appendix C for approval.

Adults' Services

44. The capital programme for 2013/14 to 2021/22 is £8.1m; an increase from quarter two of £0.9m resulting from the successful bid to the "Improving the environment of care for people with dementia programme" funded by the DoH. The annual budget for 2013/14 is £4.3m. The forecast spend for 2013/14 is

£1.6m resulting in a favourable budget variance £2.7m which will be re-profiled into 2014/15.

45. This expected expenditure comprises £0.9m on the Tower Bridge Nursing home for the improvement of dementia care facilities funded by the grant bid; £0.6m for the refurbishment of the Brandon Trust properties; and £0.1m for the Centre of Excellence.

Southwark Schools for the Future

46. The capital programme for the period 2013/14 to 2021/22 is £47.0m. The annual budget for 2013/14 is £13.5m which has increased by £521k from quarter two as corporate resources have been brought forward to cover expenditure not covered by BSF grant funding; £2.5m of grant funding is re-profiled to future years resulting in a forecasted spend for 2013/14 of £11.0m.
47. The largest area of spend in 2013/14 is for the schools at St Michael's and All Angels (SMAA) site which incorporates the new Highshore Special School. The completion of the school was deferred from September 2013 and now the final landscaping and demolition works will take place in 2014 resulting in the re-profiling of £1.5m expenditure.
48. The expenditure at quarter three is £7.1m of which £6.4m is for SMAA/Highshore construction works.

Finance and Corporate Services

49. The capital programme of this department focuses on two key areas: Information Technology infrastructure projects and premises-related improvements to council buildings. The total departmental capital programme stands at £21.96m.
50. Total forecast capital spend for the department in 2013/14 is £5.9m against a budget of £6.97m; with spend of £3.78m as at 31 December 2013. The department is forecasting a favourable variance of £1.07m which is made up of £1.0m on the Childrens & Adults Social Care Case Management Software (previously referred to as the Upgrade to Care First) programme. There is also a small favourable variance of £0.23m on the Work to Council Buildings DDA programme a small adverse variance of £0.16m on the Keeping Services Operational programme. These budgets will be re-profiled by year end in order to meet the revised plans for expenditure.
51. 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 £5.0m and is funded by corporate resources.
52. The new Corporate Facilities Management (CFM) services contract has commenced and is about to enter year 2 of a 5 (plus 2) year contract period. A budget of £10.25m within the departmental capital programme addresses future FM capital requirements in respect of compliance and compliance related planned preventative maintenance. This reflects the anticipated cost of undertaking works to the council's operational estate from 2014/15. This follows an earlier phase where the council undertook work to its front-line premises to ensure compliance with the Disability Discrimination Act.

Environment & Leisure

53. 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.
54. Environment and leisure department's latest approved capital budget for 2013/14 is £29.3m against the projected spends of £22.2m, giving an overall favourable variance of £7.1m to be carried forward into 2014/15.
55. Total approved E&L capital programme and projected spend from 2013/14-2021/22 is £113m.

Sustainable Services

56. The majority of the budget of £2.3m for Integrated Waste Solutions Programme & Southeast London Combined Heat & Power (SELCHP) continues to be held against potential S106 obligations. The objective is to ensure adequate funds are available to mitigate any identified impacts (i.e. carbon emissions & traffic increases) on the A2-Old Kent Road and other specified local borough roads which may be attributable to the development of the new waste facility.
57. The process involves a number of traffic surveys to determine whether the waste facility has generated 2.5% or greater increase in traffic flows during the morning (am) or evening (pm) peaks at one or more of the specified locations since the first (initial) GLA Roads Traffic Survey that was undertaken before the facility was built. A number of the scheduled surveys have been undertaken and the outcome and any potential liability will become clearer in the next 6-12 months.

Public Realm

58. The Cleaner Greener Safer (CGS) forecast expenditure for 2013/14 is £2.36m against this year's budget of £4.3m. This is an increase of 21% on the 2012/13 final outturn. This reflects inroads being made into the backlog which has been achieved through an enhanced focus on delivering these projects.
59. The Non Principal Road (NPR) Programme is forecast to achieve a full spend, except for a slippage of £189k forecasted on Community Council devolved funding where some decisions have been delayed.
60. It is proposed to re-profile the existing Non Principal Road programme to bring forward additional funding of £2m per annum for 2015/16 - 2017/18, adding it to the existing £4m approved for those years. That will be taken from years 2019/20 – 2021/22. Re-profiling the current allocation and adopting a 'prevention is better than cure' approach will produce revenue savings of 70k in each of the 3 financial years 2015-18 and ensure 50% more Km of roads are resurfaced in financial years 2015-18. The proposal will also improve the condition of the roads within the borough. The required re-profiling of budgets for the period 2015/16 onwards will be completed as part of the 2013/14 capital monitor outturn report to cabinet.
61. The Burgess Park BMX track project was completed and opened to the public in August 2013. The project was delivered within budget.

62. Work continues on the delivery of the next phase of the cemetery strategy to create further burial spaces at Camberwell new cemetery and Camberwell old cemetery and to make associated infrastructure improvements. Area F at Camberwell Old Cemetery has been completed and road repairs at the cemetery are underway to allow smooth access to the site. Muslim Burial space is now available at Nunhead Cemetery. The cemeteries project is extremely complex and some of the expenditure has been re-profiled to 2014/15 to allow for detailed site investigations and consultations.
63. Following the failure of the main contractor on our Mercury Abatement project, there has been a slippage on this project. We are working on procuring an alternative contractor but this is likely to lead to an extra cost. However, we expect to be able to absorb this within the overall cemeteries capital programme.
64. GMH Park accommodation refurbishment of £120k is in the capital programme in 2013/14 for this building. This was based upon a surveyor's report produced early in 2011 which was based on the need to accommodate staff and address urgent health and safety issues. This project has been renewed in the light of changing demands for accommodation and a revised project brief is currently being prepared. Therefore, the work will slip into 2014/15
65. The majority of schemes under the parks 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

66. 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 Paralympics legacy. The programme was intended to improve access to and increase participation in physical activity and encourage the development of the Olympic values in the borough's communities. Almost all the projects have now been completed including major improvements to Camberwell Leisure Centre, Herne Hill Velodrome and Peckham Rye as well as upgrading community facilities at various locations in the borough. Officers have been able to use this funding to lever in an extra £1.2m from external sources to further enhance projects. A new bid for legacy funding has been submitted to the capital programme to enable further improvements at Homestall Road, Southwark Sports Ground grass pitches and the velodrome.
67. Works to bring Southwark Park Track back into use will commence in the near future. Officers have secured an additional £600k external funding to contribute towards this project. Designs for the track have been finalised and reports required for the procurement of works have been prepared for progressing in February this year
68. A phased approach is being taken to investing in Peckham Pulse. Phase one works will be undertaken in quarters 3 and 4 this year and will consist of major life cycle issues being addressed. This includes air conditioning works which are nearing completion. 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.

69. 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. The report for the works has now been approved and the works are about to commence.
70. Investment in self service technology is a key component of the libraries modernisation programme and installation of such equipment is a key in supporting the savings agreed in the libraries review. 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 and it is anticipated that this will still be needed to install RFID into a medium term alternative site for this library. There are also provisions in the current programme to implement RFID in other libraries and further bids are requested in the next capital refresh. Therefore, it is proposed that all these provisions are merged under a single scheme to modernise libraries so that these can be implemented as when libraries are ready and suitable.
71. 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.
72. Work at Pynners sports ground continues and it is anticipated that it will be completed shortly.

Community Safety

73. The CCTV Refresh Project is designed to provide the council with a more robust and efficient security response service whilst maintaining a constant vigilant presence in our communities. It supports a key commitment on the council plan to work with residents and the police to make the borough safer for all by cracking down on antisocial behaviour and implementing the new violent crime strategy. The project is well on course to delivering its objectives.
74. The project has to date, installed new systems, repaired or replaced CCTV cameras on 16 estates and installed redeployable CCTV cameras on a further 7 estates. In total, the project has now added 121 functioning CCTV cameras across the Borough (which represents approximately 80% of the project) these are all monitored and recorded at the CCTV Control Room.
75. The project is on track to be completed by the 31st March 2014, within the allocated resources.

Housing Renewal

76. Out of the 2013/14 budget of £1.3m for the statutory Disabled Facilities Grant (DFG), £567k has been spent up to quarter 3 and is on target to spend the remaining budget by the year end. The expenditure to date reflects 44 client applications for a variety of adaptations such as wet-room installations, through floor lifts, hoists and stair-lifts.

77. Funding of £449k was made available for 2012/13 through the South East London Housing Partnership (SELHP) to bolster work on empty homes projects within Southwark. The majority of this budget is projected to be spent this quarter as both major and minor empty homes projects complete works on site. External funding is always sought wherever possible, to reduce the call on capital resources for empty homes projects and given this funding from SELHP the capital empty homes budget was re-profiled from £410k to £226k for 2013/14.
78. The bulk of the spend on the home repair loan and home repair grant budgets will also take place in quarter 4 and is due to the lead in times to get projects on site given the vulnerability of clients and applicants as well as the often extensive nature of repair works. There has also been an increase in more loan based products as the unit moves away from direct grant assistance. During this transition, budgets are being re-profiled into 2014/15.
79. Details of the required re-profiling of budgets and budget adjustments on the schemes mentioned above are reflected in Appendix C for cabinet approval.

Chief Executive's Department

80. The capital budget for Chief Executive's department over the period 2013/14-2021/22 has increased from £57.8m to £60m since the Quarter 2 monitor was presented to Cabinet. The increase of approximately £2.2m is due largely to budget transfer of £925k from Children's and Adults and Environment and Leisure department; £200k additional budget for Camberwell library and civic space; £890k additional funding from TfL and £210k from S106 agreements.
81. This budget increase will support the delivery of various transport; public realm and environmental improvement projects across the borough. The £925k from Children's and Adults and Environment and Leisure has been earmarked as secured funding towards the £1.925m required to deliver the Revitalise Peckham Rye project.
82. The design stage and clearance of the site is complete, in preparation for the construction of the Camberwell Library and the works are expected to commence in February 2014 as soon as the contract is awarded.
83. Current estimates indicate that the capital allocation for the Camberwell Library needs to be increased by £200k, which has largely been due to an upturn in the construction market which has not been to our advantage. It has taken some time to develop a suitable building design. This has been developed in consultation with the council departments and the planning authority in order to ensure that the design, materials and external space is of a high quality and appropriate in the space that is adjacent to a conservation area. The items identified through this process have been incorporated into the scheme.
84. These budget variations above are reflected in Appendix C for cabinet approval.
85. For the current financial year, the department is forecasting an expenditure of £19.8m, a downward movement of £900k from quarter 2 report. The reduction in forecast reflects changes in project delivery plans since the quarterly report was presented to Cabinet, and the subsequent re-profiling of project expenditure to reflect current plans. Details of divisional budgets, forecast expenditure and key achievements in project delivery are outlined in the following paragraphs.

86. The planning projects team in the planning division has a budget of £5m with forecast expenditure of £1.6m for 2013/14, and £3.4m for 2014/15.
87. 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. The pop-up shop has been let to the third and fourth tenants (a fashion store and an Eco-couture enterprise); the festival programme is well underway and Nunhead Green improvements have been granted planning permission and due to start on site by the end of Q4. The shop front improvements have commenced on site and are due to complete in Q4.
88. Other projects that have started on site this quarter include improvement works to the bridge at Ewer Street and the public realm in Ewer and Lavington Streets. Shop front improvements in Queens Road were submitted for planning permission and should commence on site in Q4.
89. The triangle site in Tooley Street has been tendered to design firms and a commission will be let in Q4. Alice Street and Nelson Square redesign, and resurfacing have been commissioned from the Public Realm Department.
90. Transport planning, also in planning division, has a budget of £17.3m with forecast expenditure of £5.9m in 2013/14, and the balance of £11.4m profiled for 2014/15 and beyond.
91. The programme of complementary measures for Cycle Superhighway 5 is now complete. Implementation of the majority of the corridors and neighbourhoods schemes has commenced in January, with a small number to follow shortly afterwards.
92. Those schemes which were undergoing consultation in Quarter 2, including East Dulwich Grove, Rotherhithe New Road and Paxton Green have now been given approval and due to begin implementation early in the new year.
93. Additional funding has been secured between Quarter 2 and 3 including £400k for air quality schemes from the Mayor's Air Quality Fund and £220k for cycling programmes including a Cycling Schools Partnership project in Dulwich and additional funding for cycle parking in the borough.
94. Transport modelling on the Revitalise5 Camberwell project is now complete and currently being assessed by Transport for London. Support to progress the Datchelor Place Pocket Spaces project was agreed in December and will now progress to detailed design.
95. The Regeneration division has a budget of £37.6m with forecast expenditure of £12.3m in 2013/14 and £25.3m for 2014/15 and beyond. The construction of £20m leisure centre in Elephant & Castle as part of the regeneration is progressing with completion currently scheduled for 2015.
96. The council's office accommodation programme is progressing with practical completion of Queens Road 2 as a generic office building on 9 December 2013. The office provides 86 workstations spread over four floors. Following a period of building readiness, the first teams moved in on 6 January 2014, with the final team due to move in by 20 January 2014.

97. The decommissioning of Southwark Town Hall is complete and revised disposal arrangements are now in place and scheduled to complete by spring 2014.

Housing General Fund

Travellers' Sites

98. 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 - 122-148 Ivydale Road:

99. 7 social rent units on the Family Mosaic development to provide 14 new homes of mixed tenure in Nunhead is part funded by the AHF and are due for completion in quarter 4. The first payment of £682,500 was paid to Family Mosaic at the start of the works with the balance of £455,000 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)

Warm Dry and Safe

100. 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 3 has continued to be steady with £44.3m spend at the end of quarter 3. The programme is still forecasting to spend to the target with further WDS 2013 major works schemes and WDS 2014 major works brought forward schemes due to start in the last quarter. Some schemes expected to start this financial year have been delayed and will start early next financial year, however, additional schemes are now expected to start this year and our partner contractors are planning to accelerate works on a number of schemes in quarter 4. Any delays or issues that arise in Quarter 4 are likely to impact on the overall forecast spend. Accurate long term forecasting has proved challenging as the extent of works required to meet the WDS standard is generally higher than the provision made in the programme.
101. 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 means that that the programme has incurred additional overall costs that have been met from the WDS contingency fund.
102. The majority of schemes in WDS 2012 programme are on site. Due to the mutual conclusion of the Breyer contract, the Brandon estate schemes were delayed, with the first scheme on site at the end of quarter 2 and the other two starting in quarter 4. The Dickens estate previously under Wates is now also on site (internals) with the externals package starting in quarter 4. 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.

103. Three of the WDS 2013 major works schemes are already on site and a further two schemes will be starting in quarter 4. Following the phasing of the regeneration programme the WDS works at Aylesbury will start in 2014/15. Acorn will follow on from completion of the regeneration heating works. Tustin is delayed to 2014/15 due to the extensive scope of works required to meet the WDS standard. The Congreve / Salisbury scheme is now programmed to start Quarter 1 of 2014/15 following delays in the tendering process.
104. £14.9m of works from future years were planned to be brought forward to start in 2013/14 using the Decent Homes Backlog funding. Two of these schemes are already on site with 9 schemes expected on site by the end of quarter 4. Four of these projects have now been delayed to start early in 2014/15, however, two additional schemes have been brought forward from 2014/15 to commit in quarter 4 of 2013/14.
105. We expect the trend of schemes requiring more resources than the stock condition survey estimate to continue. Any additional resources required for the completion of the Warm Dry and Safe programme will need to be reviewed with the new capital bids being submitted for cabinet approval and an updated position will be reported to cabinet.
106. Both the Four Squares and Hawkstone WDS/HINE schemes have started on site with the external packages due to start in quarter 4. Abbeyfield is due to start on site in 2014/15.
107. The £4m individual heating budget is expected to fully spend by year end as it is ahead of schedule but there is a slight lag in capitalisation. All the remaining WDS district heating schemes programmed up to 2013/14 are expected by the end of the year or in early 2014/15. The 2015/16 WDS district heating schemes are being brought forward to start in 2014/15.
108. 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 with the WDS programme. Gloucester Grove and Netley have also been added to the programme and will both complete this financial year.
109. 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 3 was 58.97%, which is only a small rise as many of the 2 year schemes are completing in quarter 4.

Other FRA works

110. £2.3m has been agreed for FRA works to substantial risk moderate rise blocks which will be programmed alongside the 2014/15 WDS programme.

Aylesbury PPM

111. Around £4m is expected to be spent in 2013/14 from the Aylesbury PPM budget. Spend in quarter 3 has continued to accelerate with £1.9m spend at the end of

the quarter. The lighting, laterals and boilers work is expected to complete in quarter 4 and spend on the primary mains is expected to continue to accelerate.

East Dulwich Estate

112. Works to convert eighteen drying rooms on the estate into residential accommodation for sale to fund the general refurbishment of the estate is underway. Phase 1 which comprises of 9 units is due to complete in mid January. Phase 2 is being progressed and will commence shortly thereafter. Additional resources will be required to complete these works as reported to Cabinet in early 2013 and a capital bid of £1,659m has been submitted accordingly.

Hidden Homes Programme

113. Seven hidden homes comprising of one's, two's and a four bedroom unit were completed in early December 2013 on the Glebe and East Dulwich Estates.
114. The next phase of the Hidden Homes programme will be delivered on the Dickens Estate through the conversion of an ex G.P surgery at Wade House and redundant drying rooms at Nickleby, Dombey and Tapley House. S106 funding of £160k was secured to deliver two units at Wade House via the Planning Committee in September 2013. Additional resources of £311k will also be sought from the S106 affordable housing fund for the other three units.

Cash incentive & Home Owner buy back scheme

115. In October 2013, cabinet approved the increase in budget of £500k to fund a Hardship Repurchase scheme approved by the Council's Cabinet in October 2013. The purpose of the Hardship Repurchase scheme is to assist home owners in severe financial difficulty, particularly those in immediate danger of losing their homes through repossession or forfeiture. The scheme forms part of the councils pledge to take homelessness in the borough.
116. Following the Lakanal Inquiry, the cabinet report of 10 December 2013 approved additional capital budgets for the installation of sprinkler systems in sheltered housing and temporary accommodation hostels along with the budgets required for the installation of LD2 type automatic battery powered smoke/heat detection to council homes. This increase in the capital budget of £32.48m is included in Appendix C for cabinet approval.
117. Some of the budgets within the Housing Investment Programme have been reviewed and re-profiled in line with previously approved budgets and these are reflected in Appendix C for approval.
118. Other additional resources agreed by the Housing Investment Board are also reflected in Appendix C for approval.

Resource Re-profiling

119. The budgets across the capital programme have been profiled based on the latest information as at 31 December 2013. 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.

New Capital Bids- General Fund

120. The section below provides summarised narratives for each of the new capital bids submitted by the departments for cabinet approval.

Children's and Adults' Services

Children's Services – Primary Investment Programme- £16m

121. Southwark Council has a statutory obligation to provide sufficient places within our primary schools. There is a current shortfall in permanently available places and this is anticipated to continue over the medium term.
122. In response to the above it is intended to invest in our primary school estate to deliver almost 20 forms of entry of permanent places by 2016 with almost 15 of these through directly delivered projects. Further there is a need to deliver a programme of condition investment over the same period.
123. This required investment programme is estimated to need a further £16m of funding to be allocated from council resources in addition to the DfE grants and other funding expected. The Primary Investment strategy was set out in a Cabinet report on 16 July 2013.

Adults's Services- Adult Autism Provision - £12m

124. The Council will be required to provide for the education of adults post 19 with high support needs to meet the Children and Families Bill and deliver an integrated pathway for Children and Young People (CYP) with Special Education Need and Disability 0-25yrs (SEND).
125. A gap in provision exists, as the council has no local provision for 19-25 year olds with Autism (ASD), many of whom also have Learning Difficulties (LD) and high support educational needs.
126. Historically, the council has placed children and young people aged up to 19 with high support educational need in out of borough education placements, at great expense, and in some instances with poor outcomes as having been distanced from their families and other relationships, young adults may not always make a successful transition back to Southwark to live an independent life. Where a young adult with ASD and high support education needs is accepted by some independent providers near London, these are extremely high cost, and once accepted some may later be excluded if their needs are not able to be adequately supported in the service. Many may not be accepted by independent providers; due to complex needs, and remain at home often resulting in crisis.
127. Hence there needs to be a building based resource in Southwark from which we will be able to develop education and support provision for school and college leavers with ASD and LD. This building will be the Southwark resource centre for education and day services for young adults with autism and provide the base from which commissioned education/support will be delivered.

128. This necessary investment programme is estimated to require £12m of funding to be allocated although at this stage no potential site has been identified.

Finance and Corporate Services

Preventative Planned Maintenance Programme to the Councils Operational Estate - £27.5m

129. This proposal is for a total of £27.5m made up of £2.75m per annum for a ten-year programme. The programme will enable the delivery of an effective and appropriately resourced capital investment programme of preventative and planned maintenance works and renewal to the building fabric and services for the 362 buildings which make up the council's operational estate. The programme will ensure that there is targeted capital investment in the estate that preserves both its utility and maintains the asset value of the estate in line with the councils accounting and reporting practice

IT Planned Maintenance Programme - £10m

130. This proposal is for a total of £10m made up of £1.0m per annum for a ten-year programme to start in 2014/15. The programme will cover the improvement and replacement of IT infrastructure and networking in order to ensure the reliability and availability of key systems and minimise disruption where components fail.

Environment & Leisure

131. The bids for the latest capital refresh that have been generated by new and emerging issues developing over the last year are set out in the following paragraphs.

Public Realm

20mph zone - £1.2m (£1m 2014/15 and £200k 2015/16)

132. Investment is required for the completion of the borough-wide 20mph programme following the Council's commitment to become a 20mph borough to improve road safety and conditions for pedestrians and cyclists, set out in the decision of the Cabinet Member for Transport, Environment, and Recycling in October 2013.
133. The funding will be used to complete the signage programme which will ensure that all roads under the Council's control will have a 20mph limit by mid 2014. This programme will see the introduction of signs and lines only and will be accompanied by a 'hearts and minds' campaign around the safety benefits of lower speed limits.

Cleaner Greener Safer (CGS) - £5.640m (£1.88m each year 2021/22 to 2023/24)

134. This bid is to further support the Council's ongoing commitment to the successful CGS programme to deliver small scale environmental improvement projects and capital grants in response to local community needs. The addition of this bid means that an equivalent level of provision exists for these schemes in every year of the programme to 2023/24.

Cycling Infrastructure Fund - £2m (£500k per year from 2014/15 to 2017/18)

135. Capital investment is required to enable improved levels of investment in the borough's cycle infrastructure, particularly in the south of the borough where opportunities to attract funding from Transport for London and developers are more limited. The Council is determined that Southwark will become the most cycle friendly London borough and to achieve our increased modal share for cyclists and road safety targets, increased investment is required. The Council is committed to working with independent experts in cycle design to ensure that the infrastructure fund truly delivers the improvements that cyclists in the borough deserve.

Highways Flood Prevention - £2.450m (£245k per year for 10 years from 2014/15)

136. This proposal is for funding the replacement of defective highways drainage infrastructure across the Borough. The council has through its work with the Environment Agency identified that Southwark has 5 critical drainage areas in the Borough. This flooding is as a result of surface water (rain) and our means of managing surface water is through the current highways drainage system. The requested funding would allow for a systematic approach to replacement of gullies resulting in the reduction of the risk of flooding to properties and the reduction of standing water on highways.

Non Principal Road Programme Re-profiling - £10m (over 10 years from 2014/15)

137. The council is responsible for the maintenance and up keep of 323km of non principal roads in the borough. Depending on the road classification, between 16 and 18% of the network requires repairing.

138. The bid includes an annual increase of 200k during the programme period (i.e. to make it £2m over 10 years), to compensate for a reduction of 200k in highways maintenance revenue funding in year 2014-15. It also includes £4m per year to extend the existing agreed capital programme for non principal road resurfacing for two financial years 2022/23 and 2023/24

Principal Road Programme - £3m (£1m each year for 3 years from 2015/16)

139. The proposal is for a 3 year investment programme in the Principal 'A' Roads (generally identified as heavily trafficked / bus routes) in the Borough. The council is responsible for the maintenance and up keep of 32km of principal roads in the borough. 17% of the 'A' road network in Southwark requires repairing. Currently funding for 'A' roads is limited to £515k per year received from TfL. This level of funding does not approach the level of investment required to arrest the decline in the roads or to reach a condition of steady state. This funding will in conjunction with adopting a 'prevention is better than cure' approach produce revenue savings of 35k in each of the 3 financial years 2015-18, ensure over 100% more road is resurfaced than currently planned in financial years 2015/18.

Lamp Column Replacement Programme - £1m (£500k per year for 2022/23 and 2023/24)

140. The council is responsible for the maintenance and up keep of over 23,000 items of illuminated street furniture, over 16,000 of which are lamp columns. A

provision of £500k per annum investment in lamp column replacement currently exists until 2020/21. Addition of this bid means that an equivalent level of provision has been made for these projects in every year of the programme to 2023/24.

Burgess Park revitalisation - £6m (£2m per year from 2016/17 for 3 years)

141. The vision of this project is to create a 21st century park which will be recognised as a Metropolitan Park that is rich and bio diverse, a place for healthy living, fun and memorable for play, rooted in history and that is a sustainable exemplar park. The objectives to achieve this vision are to create a park with a strong identity, a park that is for everyone, a park that links with its surroundings (e.g. Camberwell) and one which is coherent with a clear spatial structure. This will be achieved by implementing the remaining phases of the revitalisation: a. refurbishing the southern entrance to include the purchase of the adjoining land and bringing that into the park; b. refurbishing Rust Square and linking this to the main park and Camberwell; c. improvements to secondary and tertiary entrances; d installation of MUGA and extension of sports pitches; e. creating safe park roads (Trafalgar Avenue entrance, Wells Way entrances).

Additional Replacement Tree Planting - £600k (over 10 years from 2014/15)

142. This proposal would increase the amount of planting to replace trees that are felled as a result of being dead, dying, diseased or dangerous. The council's adopted tree management strategy commits to replacing as many trees as possible. Current levels of resource enable between 100 to 150 trees per year to be replaced, and this proposal will increase that planting level to 200 to 350 trees per year.

Parks Infrastructure and Investment Programme - £10m (over 10 years starting from 2014/15)

143. This 10 year capital investment programme will support the replacement of Park and Open Space Infrastructure and the renewal of sites in need of investment. The proposal relates to lighting and electrical systems, footpaths and hard surfaces, boundary and retaining walls, drainage and flood alleviation systems and general renewal for priority sites in need of investment. This investment programme will halt the decline of parks infrastructure, reduce the need for ad hoc maintenance and enable investment to be made in sites where needed over the next 10 years.

Monument & Memorial Programme - £900k (over 10 years starting from 2014/15)

144. There are 49 monuments and memorials which are war related and / or over 1.8mts high. Of these 17 have been identified by structural engineers as requiring remedial work. Works to be completed will include refurbishment of memorials including reforming of base plinths and reassembly with, in some cases, off-site casting of metal embellishments. This funding will ensure a phased investment in the Boroughs monuments and memorials making them safe, attractive and fit for purpose.

Investment in South Dock Marina Assets - £1m (£500 per year for two years from 2015/16)

145. Investment is requested to refurbish and upgrade condition of the marina. In February 2013 the council received a condition survey report of all the assets in South Dock and Greenland Dock which make up the Marina. It recommended that at least £1.5m be spent to refurbish some of the current assets and renew others which had become obsolete. Funding of £600k has previously been sanctioned and work has been prioritised and is ongoing at present. The requested investment of £1m will replace the lock gates and refurbish the sluices, dock walls and office systems. The additional investment will create assets in which the council and residents can be proud.

Culture Libraries Learning and Leisure

Further implementation of RFID in Libraries - £100k (2014/15)

146. This proposal is for the implementation of RFID / self service technology for remaining appropriate libraries, as the next phase of the libraries modernisation programme. This will enable the public to complete routine tasks such as issuing and returning library stock and making payment for fees and charges and improves the deployment of staff to deliver a more proactive customer service, and a wider programme of events and activities for the local community.

Refurbishment of Peckham Library - £550k (over two years from 2014/15)

147. The building opened in 2000 and to date has had over 5 million visitors. However, no major building maintenance programme has been undertaken to date. Funding is requested for essential replacement of roof, windows, and lifts as part of major refurbishment to prevent deterioration to the building. A full building condition survey will be undertaken to scope the works required.

Temporary Library at Elephant and Castle - £1.2m (200k in 2013/14 and £1m in 2014/15)

148. This capital bid is required for entering into a lease for the occupation of a 250m² library space within the Elephant Artworks development to ensure the continuous provision of library services at the Elephant & Castle following the Walworth Town Hall fire which has necessitated the closure of the Newington Library. The lease includes for a premium payment to meet upfront capital construction and fit out costs of £1,200,000 including 20% contingency.
149. Demand for the use of other Library facilities has increased since the closure of Newington Library with around 400 additional customers using the John Harvard Library on a daily basis which is creating additional pressures for the service and leading to delay and other frustrations for customers. This additional demand is creating extra costs including security. The loss of quiet space for use by students to undertake revision/homework [particularly at exam time] and access to IT facilities is a particular issue for the area which needs to be addressed in the short term. Therefore it has been a priority to identify an appropriate location for a temporary library

150. Following the closure of the Newington Library, Artworks is the preferred option for the following reasons:

- Located in a central location approximately 200m from the closed Newington Library and close to public transport links including bus stops on both Walworth Road and New Kent Road
- The available space can be configured to meet interim library design brief
- Available for five year tenancy which would mean continuous library service up until anticipated completion on the enhance library within the Walworth Town Hall in late 2018.
- Allows for an alternative library service to be provided within the shortest possible timeframe.

Cuming Museum fit out of temporary premises - £75k (2014/15)

151. The Cuming Museum was located in Walworth Town Hall and as a result of the fire in March 2013; all 3 of its public galleries, the education room and the staff accommodation were severely damaged. To date, a limited programme of community outreach has been delivered by the Museum staff but there is an urgent need for the Cuming Museum to reinstate a public service within temporary premises whilst the Town Hall building is restored and rebuilt. Options to rent space at Chumleigh Gardens are being progressed and this capital funding proposal would enable the fit out of these premises, including IT costs, furniture and fittings for the visual display of information, secure display of a very limited selection of artefacts, overall premises security and other works to support the provision of an accessible public service. Some additional costs to support the re-provision of the public service may be met by Insurance but the exact nature of this is yet unknown.

Legacy investment - £1.5m (over two years from 2014/15)

152. Further investment programme is requested for additional works to several Legacy Projects. This includes funding toward phase 3 of the Herne Hill Velodrome project (New Pavilion Building), Homestall Road Sports Ground Phase 3 Project (New pavilion) and Grass Pitch improvements at Southwark Sports Ground.

Southwark Park Athletics Track - £2.630m (£2.13m in 2014/15 and £500k 2015/16)

153. Investment is requested for the refurbishment of the existing building at Southwark Park Sports Complex to provide suitable changing and ancillary facilities to support athletics development and the needs of Southwark Park users. The facility is currently in poor condition both internally and externally, and does not deliver in terms of what would be expected of a community sports facility.

154. Usage figures of this facility are dropping. In the first quarter of 2013 only 95 attendances were recorded.

155. External funding has been secured for the refurbishment of the athletics facilities (track and field), and the building refurbishment will compliment this by providing quality supporting facilities. The site, following investment, will focus on grass-roots athletics and the development of a Southwark athletics club. Sports

development activities will be led by Southwark's Athletics Activator. There is also an aspiration for the facility to deliver a disability sports programme. Overall £3m will be required of which £370k has already been allocated as part of the OLF programme.

156. Funding will enable the delivery of a refurbished pavilion including changing facilities for athletics and for sport in the park, specialist athletics coaching facilities and a small gym focusing on support athletics training.

Rolling refurbishment programme of leisure and sports facilities - £1.350m
(£150k per year for next 9 years from 2015/16)

157. This will provide continued essential refresh capital works at leisure centres to protect the recent investment made in the building stock over the past few years. The Council has invested significant sums of capital money in leisure facilities. In order to ensure the quality standards of facility provision are maintained it will be important to refresh the facilities as they move away from their refurbishment phase.

Modernisation of Adult Learning Services at Thomas Calton Centre – ICT works - £150k
(2014/15)

158. The adult learning service is bidding for capital funding to provide improvements to, and to upgrade ICT assets and online provision at the Thomas Calton Centre. The new Ofsted inspection framework requires providers to prove the good use of information Learning Technologies. The funding being asked for would be used to 1) Replace the old server 2) Replace the existing learner network computers and add additional computers to the network to enable access to ICT in all classrooms and open-access in the three halls (providing additional computers/access points). The replacement of ICT systems as essential in order to pass the new Ofsted criteria and inspections. Non-compliance with Skills Funding Agency standards potentially puts funding of up to £2 million at risk.

Sustainable Services

Energy efficiency capital investment programme - operational estate - £2.5m
(£250k each year for next 10 years from 2014/15)

159. Since 2009, the Salix invest-to-save fund has been used to carry out energy efficiency improvements to our operational buildings across the borough. In total, over £420K has been spent from this revolving fund and this has delivered savings of 392 tonnes of carbon per annum. This work, along with the Council's modernisation programme, where many of our older buildings have been decommissioned has resulted in excellent progress towards our target. To date, carbon emissions from the operational estate have reduced by 20.6%. Whilst the Salix fund has been useful in reducing energy use to date, the constraints of the scheme (all costs associated with an energy efficiency project must be repaid within five years through lower energy bills), means that the scheme cannot be used for larger, more costly projects. To improve the energy efficiency of our remaining stock, we now need to undertake more expensive work such as boiler and window replacements. Whilst this type of work provides excellent improvements in energy efficiency, the pay back period will exceed the five year condition required by Salix. A capital fund is therefore requested to allow the works to progress and to meet the 2016 target.

Chief Executive's Department

Revitalise Camberwell Regeneration projects- £3.126m

160. To form part of the Revitalise5 Camberwell regeneration programme, three priority projects are proposed. Firstly to prepare for the creation of a formal southern entrance to Burgess Park. To facilitate, this it is proposed to bring a number of key properties back into council ownership. A revitalised entrance to Burgess Park will create a far more welcoming point of arrival and provide stronger connections between Camberwell and Burgess Park.
161. The second project is the revitalisation of the Benhill nature garden and restoration of the Pied Piper mural. Funding has been committed however is insufficient and funding is sought to bridge the funding gap.
162. The third project is the final stage of the Camberwell Leisure Centre refurbishment to improve the setting of the Leisure Centre. This will comprise streetscape improvements and reconfiguration of the internal cafe layout. The revised layout will provide an entrance to the cafe from Artichoke Place and be complemented by public realm improvements and the creation of an outdoor seating area.

Revitalise Peckham Rye Park - £995k

163. Funding has been allocated for the rebuilding of the Peckham Rye Playroom (also known as One O'Clock Club), but a number of linked projects are necessary to enable the project to go ahead. The existing playroom and associated play area needs to be demolished and landscaped so that a safe, clear site remains after the Playroom relocates, re-provision of the changing rooms which are currently accommodated in containers at the back of the cafe and a new 'Superplay' area will be provided on the site previously occupied by the changing containers which will also incorporate the refurbishment of the existing play area next to the cafe. This represents significant improvements to the facilities at Peckham Rye Park.

Elephant and Castle Open Spaces - £5.960m

164. The on-going regeneration of the Elephant and Castle Opportunity Area is making significant progress in the delivery of new homes, jobs, leisure centres and securing investment in to major infrastructure improvements. This project will seek to ensure the network of existing parks and open spaces within the Opportunity Area are also brought up to a Central London standard ensuring that they meet the needs of the existing and future community along with ensuring value growth for Southwark's assets. At present the Elephant & Castle has a deficiency in open space provision and therefore this project will ensure that the open space that is available is of the highest quality.
165. This capital bid will secure the transformation of open spaces and the key pedestrian connections between them during a four year programme of improvement. The parks and open spaces to be enhanced will be within the Elephant and Castle Opportunity Area. The programme for improvement will be approximately three years, including the required design, consultation and planning period.

Investing in Local Retail Environments Phase 2 - £2m

166. Phase 2 would specifically target those parades on the borders of regeneration areas. The shopping centres and retail offices of areas such as Elephant and Castle, Canada Water, Camberwell and Peckham are all attracting investment which leaves parades on the fringes such as Harper Road, Lower Road, southern end of Walworth Road, Camberwell Road (including the premises of the current library), Peckham High Street, southern end Rye Lane etc. vulnerable to increased competition.
167. There are also a number of secondary parades that are important in serving the local community, particularly the elderly and less mobile such as Brayards Road, Tower Bridge Road, East Street and others that that were not part of Phase 1, that would benefit from investment and support the local community.

Council void shop improvements and council-owned parade enhancement - £2m

168. The intention is to build on the success of the Investing in Local Retail Environment (ILRE) programme by ensuring that all council voids comply with health and safety regulations.
169. We learnt from ILRE that a number of issues were evident in many of the units including the need to ensure that electrical installations complied with up-to-date standards; repair to residential access above that caused water ingress in the commercial units; the discovery of asbestos in ceiling and floor coverings that required remediation; and unexpected structural works on some of the older properties.
170. Whilst some of the costs could be potentially be a third party responsibility, there is an argument that further burdening small traders with these works would adversely affect their viability. Also especially where there are residential properties above parades, the council has a duty of care to ensure that the residents are safe.
171. Where a void is in a council-owned parade, the concept is to improve all the premises creating an exemplar property portfolio. It is estimated that 20 units p.a. would be enhanced under this programme.

Walworth Town Hall - £20m

172. The purpose of this project is to rebuild the Walworth Town Hall following the fire that occurred in March 2013. The project seeks to enhance the previous building through delivering the high level vision approved by Cabinet in July. A financial settlement will be reached with the insurance company regarding the cost of the Town Hall reinstatement however additional funding will be required in order to deliver the enhancement.
173. A newly designed and modern facility will address many of problems experienced in the previous building such as poor accessibility, no lift access and significant office accommodation that could not be used for community facilities. The pressure to deliver this work and re-provide the Walworth Town Hall is borne from the need to provide the important council services such as the library within a central Elephant and Castle location and also from public response following the fire itself.

Walworth Road ~ The Missing bit of the Jigsaw - £2.850m

174. The proposal is to rejuvenate the southern end of the Walworth Road to create a vibrant and sustainable high street linking a number of high profile regeneration initiatives such as Burgess Park and Aylesbury with Elephant and Castle.
175. This programme of work will see total investment package of £5.25m in the public realm which includes £2.4m already budgeted within the Aylesbury programme budgets and match funding of £2.65m secured for the overall scheme. The programme proposes the extension of the award winning public realm treatment completed at the northern end of the Walworth Road to the area between Merrow Street and Albany Road. It also seeks to integrate the high street with the estate redevelopment programmes of the Heygate and Aylesbury and to upgrade the shop frontages thereby supporting traders and the trading environment.

Mint Street Adventure Playground - £2m

176. Mint Street Adventure playground and play building is a well used but dilapidated facility in the Borough area. The proposal is to rebuild Mint Street Adventure Playground and play building, integrating the facility with the adjacent park and surrounding urban environment and provide a facility fit for the future use of local children and their families.

Pullens Yards Fire Safety Works - £452k

177. The purpose of this project is to ensure there is adequate separation between the Pullens Estate commercial units in order they conform to current Building Regulation standards on fire safety. A recent Fire Risk Assessment of the common parts in the Yards raised concerns about the fire safety of these units and commented this issue could affect their future viability. The units are arranged in terraces of two storeys, constructed in brick with flat roofs. The units are vertically separated by brick walls which provide compliant fire resistance. The divisions between ground and first floor units are of wooden construction, some of which has remained unaltered since the premises were constructed in approximately 1870.
178. The proposed project requires a unit by unit assessment of the division between the floors and the enclosures around the wooden staircases providing access to the first floor units. If these divisions prove not compliant with current Building Regulation, it is recommended that adequate fire protection is put in place. This will mostly involve cladding the divisions with plasterboard providing the appropriate fire resistance. It is also proposed that electrical systems within units are renewed where necessary to ensure compliance as part of this program of works. These capital works will also increase the rental value of the units and make them more marketable when they become available to let.

New Capital Bids- Housing Investment Programme

179. The section below provides the summarised narratives for each of the capital bids in the Housing Investment Programme submitted for cabinet approval

Housing Stock Programme - £985m

180. This bid represents a housing stock capital programme which builds on the success of the Warm, Dry and Safe strategy. This strategy took the majority of the stock to the minimal Decent Homes standard and to deal with those blocks which were at substantial risk following the Fire Risk Assessments. Any future programme will need to have a full consultation exercise carried out with residents. However this bid allows for a comprehensive refurbishment programme across the whole stock, based on a premise of a seven year cyclical external works programme including external and communal decorations. It will continue to maintain the WDS standard, beginning a cyclical decorations programme, tackling some of the key resident priorities that did not necessarily form part of WDS such as kitchens and bathrooms and tackling other known major repairs and works issues such as lifts, drains and water tanks ,obviously all subject to resident consultation.
181. The bid allows for a programme of internal refurbishment of bathrooms and kitchens to a 30 year cycle for bathrooms and a 20 year cycle for kitchens and includes for some 'catch up' of the programme in early years. In key areas such as lifts, district heating and existing entry phone systems, the emphasis will be on bringing these to modern standards as opposed to just maintaining the systems and keeping them in working order. There is also provision for a substantial programme of replacements for individual boilers.
182. The bid also includes a programme to bring a substantial proportion of the properties which are at 'moderate' risk following FRAs, to 'tolerable' levels.
183. Provision has also been made for works to areas which have not been targeted for some time such as drains and water tanks. In addition the bid included provision for possible match funding required should any environmental grant funding become available.

Housing Regeneration

Direct Delivery of 1000 new council homes – forward funding of design and enabling works - £15.210m

184. Cabinet agreed the Phase 1 schemes in October 2012 and Phase 2 schemes on 22 Oct 2013. Most development activity will be covered by the Affordable Housing Fund, made up of in-lieu payments and RTB receipts. However, a degree of forward funding will be required where schemes are initially progressed prior to funding agreement by Planning Committee. This bid is to cover the forward funding of design and enabling works, including demolition works, across schemes on a recurring basis.

Direct Delivery of 1000 new council homes - Homes for Sale - £9m

185. Several of the schemes in Phase 1 and Phase 2 are located in wards where the Council's Core Strategy for planning requires new housing developments to include a minimum of 35% private housing. It is not possible to fund this activity from the Affordable Housing Fund; therefore alternative council funding is required where the council is leading on the delivery of the private housing. The costs of development will be reimbursed by capital receipts when the homes are sold.

Sumner Road community facility - £1m

186. The Sumner Road scheme is part of Phase 1 of the Direct Delivery programme. It is envisaged that a community facility will be included in the housing development; it is not possible to fund this activity from the Affordable Housing Fund; therefore alternative council funding is required for this purpose.

Acorn Estate community facility - £1.5m

187. The Meeting House Lane scheme has been agreed for inclusion in Phase 2 of the Direct Delivery programme. It is envisaged that a community facility will be included in the housing development; it is not possible to fund this activity from the Affordable Housing Fund; therefore alternative council funding is required for this purpose.

Hostels - New Provision - £4.541m

188. New short stay accommodation to meet homelessness obligations is being developed at Willow Walk as part of Phase 1 of the Direct Delivery programme. It is not possible to fund this activity from the Affordable Housing Fund. There is an existing capital provision of £3.859m; this bid is seeking to increase the available funding for Willow Walk to £6.9m. A further £1.5m is being sought to fund refurbishment of two existing buildings to increase the new provision of temporary accommodation.

East Dulwich Estate Regeneration - £4.639m

189. The East Dulwich Estate Regeneration scheme has been ongoing for several years and in March 2013 Cabinet approved a scheme overhaul to enable the final elements to be delivered. This bid is to seek funding for those elements, namely drying room conversions, works to void properties, and the refurbishment of Badminton House.
190. Drying room conversions. Disused drying rooms are being converted for sale to finance the refurbishment of the estate, which has largely been completed. The first phase of the work has started; it had been intended that the drying rooms were to be converted in tranches and forward funded from the HIP with sales receipts generated for the following tranches. Works are now being done in two phases, and further funding £1,659k is required.
191. Works to void properties. The disposal of void properties on the estate has been a major funding source for the refurbishment of the estate. Of the 50 voids for sale, 43 have been sold with the remaining 7 yet to be identified and refurbished. As the remaining 7 do not form part of the original allocation of voids that were non-tenanted when the refurbishment programme was being delivered, a further £17.5k is being sought in addition to the existing allocation to prepare the properties for sale.
192. Refurbishment of Badminton House. Badminton House is a five storey 11 unit blocks in the corner of East Dulwich Estate. In July 2013, Cabinet agreed to refurbish the block, convert the drying room into a 1 bed unit for sale and to sell two further units to generate a capital receipt towards the overall cost of the refurbishment programme. Funding of £1,650,000 is being sought for the refurbishment of Badminton House.

193. Given the complex nature of the regeneration scheme, a contingency budget of £931,157 is also required.

Acorn / Brimington Heating Network - £6.3m

194. The Acorn Estate boiler plant will be redeveloped arising from the disposal of the site of the former Wooddene block to Notting Hill Housing group for redevelopment. A scheme is being worked up to supply heat and hot water to the remaining properties by upgrading the boiler house at Brimington Estate, and connecting to Acorn through new mains laid in the highway. At the time of writing, an alternative approach is being explored which would involve joint working with Notting Hill Housing, who are developing the Wooddene site, but funding is being sought for the heat network solution.

Adaptations - £12m

195. Adaptations play an important role to help disabled and elderly people remain in comfort and safety in their own homes rather than having to go into residential care. Substantial savings could be made in other departmental funding where increased care packages, care home fees and hospitalisation costs would not be incurred. This also contributes directly towards meeting objectives of bringing all social housing up to a good standard and to the Department of Health's objective of improving people's health and well-being.
196. It was agreed that adaptations for council tenants would be funded from the Housing Investment Capital programme when the Housing Adaptations Team was first set up 10 years ago. This was to prevent making council tenants apply for Disabilities Facilities Grant (DFG) funding, which is means tested. Although DFG applications attract 40% CLG subsidy this is not payable on grants approved for council tenants and it is for this reason the vast majority of local authorities fund adaptations directly.

Energy Efficiency Measures for TRA Halls Estate - £2m

197. This capital bid, proposes to carry out a full energy audit of TRA Halls, including a full feasibility study on the possibility of installing energy efficiency measures such as photovoltaics, LED lighting and ground source heat pumps. Due to the wide variance of halls in terms of size, condition, use and location, it is difficult to quantify on the exact savings that could be delivered by this proposal. However, it is expected that significant savings could be delivered in the ongoing energy costs incurred by individual TRAs, along with repayment of the capital costs of installation.

Conversion of TRA Halls to Community Hub - £1m

198. This capital bid, proposes to invest in a state of the art Voluntary and Community Sector (VCS) hub to be shared by a number of VCS organisations and TRAs. It is proposed that a full feasibility assessment be undertaken to identify a suitable hub location that complements existing hubs.

Summary of New Capital Bids by Departments

199. The new capital bids detailed above are summarised in Appendix D and E for the General Fund and Housing Investment Programme respectively and the totals by departments are reflected in the table below:

Department	Total Capital Bids £000s
Childrens and Adult Services	28,000
Environment & Leisure	53,845
Chief Executive	39,383
Finance and Corporate Services	37,500
Total for General Fund (GF)	158,728
Housing Investment Programme (HIP)	1,042,279
Total GF and HIP	1,201,007

Capital Programme and Projected Financial Position 2013/14 to 2023/24

200. The projected capital expenditure profile including the new bids and the total resources currently expected for the period 2013/14 to 2023/24 is reflected in Appendix F and G for the general fund and the housing Investment Programme respectively and these are summarised in the table below:

	General Fund	Housing Investment Programme
	£000s	£000s
Total Capital Programme Expenditure (2013/14-2023/24)	498,491	1,539,887
Totals Resources Expected (2013/14-2023/24)	459,417	911,680
Surplus/(Deficit)	(39,074)	(628,207)

201. As mentioned above, this position is based on the expenditure profile currently expected and may include some element of over programming which may need to be re-profiled into future years as the departmental schemes are progressed. The major source of funding for the capital programme is the council's disposals programme which generates significant receipts, and the funds currently expected from this source is incorporated into the above schedule. However, it is difficult to forecast with certainty on the total capital receipts expected beyond the next 3-4 years and it is expected that the total resources will increase once more assets are identified for disposals.
202. Regular and close monitoring of the capital programme will be required to ensure all commitments can be met from the anticipated resources and any funding shortfall expected in the capital programme will require other options to be considered such as borrowing, projects deferred or re-profiled.

Community impact statement

203. 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.

204. 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.
205. The council's capital programme is designed to deliver projects of value to local people.

Resource implications

206. This report forms part of the council's budget framework and outlines the current position on the capital programme.
207. 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

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

Financial implications

209. This report fully explores the financial implications of the capital programme for the general fund and the housing investment programme at Quarter 3 of 2013/14. The report also presents an updated position on the refreshed capital programme over the period 2013/14 to 2023/24 on the predicted resources and expenditure across this period.

Consultation

210. 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

211. 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.

212. The capital bids detailed in paragraphs 120–198 and the other capital bids agreed by recommendation 6 satisfies the council’s duty under the Local Government Act 1999 which requires it to make arrangements to secure the continuous improvement in the way its functions are exercised, by having regard 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 (Item 18)	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4550&Ver=4		
Quarter 2 Capital Monitor Report to 19 November 2013 cabinet (Item 12)	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4552&Ver=4		

APPENDICES

No.	Title
Appendix A	General Fund summary monitoring position as at Quarter 3 2013/14
Appendix B	Housing investment programme summary monitoring position as at Quarter 3 2013/14
Appendix C	Budget virements and variations at Quarter 3 2013/14
Appendix D	General Fund – New Capital Bids
Appendix E	Housing Investment Programme- New Capital Bids
Appendix F	General Fund- Refreshed Capital Programme 2013/14-2023/14
Appendix G	Housing Investment Programme- Refreshed Capital Programme 2013/14-2021/22
Appendix H	General Fund Capital Programme 2013/14-2023/24 by schemes

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
Report Author	Jay Nair, Senior Finance Manager, Finance and Corporate Services	
Version	Final	
Dated	6 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
	Director of Legal Services	Yes
	Strategic Director for Finance and Corporate Services.	N/a
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	6 March 2014

General Fund Summary Monitoring Position at Quarter 3 2013/14

Department	2013/14			2014/15			2015/16+			Total Programme 2013/14-21/22		
	Budget	Spend to date	Forecast	Budget	Forecast	Variance	Budget	Forecast	Variance	Total 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	19,720	5,254	13,926	64,144	70,081	5,937	12,250	12,250	0	96,114	96,257	143
Southwark Schools for the Future	13,492	7,057	10,967	9,311	11,298	1,987	24,211	24,749	538	47,014	47,014	0
Finance and Corporate Services	6,972	3,781	5,901	2,488	3,801	1,313	12,499	12,257	(242)	21,959	21,959	0
Environment	29,341	9,273	22,212	19,830	26,958	7,128	63,886	63,886	0	113,057	113,056	(1)
Housing General Fund	1,473	145	1,233	0	240	240	0	0	0	1,473	1,473	0
Chief Executive	25,830	11,310	19,845	29,643	35,587	5,944	4,532	4,572	40	60,005	60,004	(1)
TOTAL	96,828	36,820	74,084	125,416	147,965	22,549	117,378	117,714	336	339,622	339,763	141
FINANCED BY:												
Corporate Resource Pool	21,446	23,909	21,446	56,358	56,358	0	209,808	209,808	0	287,612	287,612	0
Reserves	5,018	767	2,228	2,800	5,590	2,790	3,251	3,251	0	11,069	11,069	0
Revenue	1,210	484	1,210	0	0	0	0	0	0	1,210	1,210	0
Capital Grants	39,019	11,420	34,071	60,918	65,912	4,994	47,178	47,178	0	147,115	147,161	46
Section 106 Funds	4,519	787	2,694	4,021	5,816	1,795	0	30	30	8,540	8,540	0
External Contributions	1,106	560	1,106	0	0	0	50	50	0	1,156	1,156	0
TOTAL RESOURCES	72,318	37,927	62,755	124,097	133,676	9,579	260,287	260,317	30	456,702	456,748	46
Forecast variation (under)/over	24,510	(1,107)	11,329	1,319	14,289	12,970	(142,909)	(142,603)	306	(117,080)	(116,985)	95

Project description	2013/14				2014/15		
	Budget	Spend	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Warm Dry and Safe							
WDS carry-over schemes	1,234	1,097	1,177	(57)	31	31	0
WDS 2-year programme	22,744	15,805	24,230	1,486	3,648	3,648	0
WDS 2012 major works	13,428	6,347	11,337	(2,091)	16,097	16,097	0
WDS 2013 major works	5,277	642	6,452	1,175	27,086	27,086	0
WDS 2014 major works	4,525	674	6,132	1,607	29,552	29,552	0
WDS 2015 major works	125	0	138	13	8,000	8,000	0
FRA works	3,495	1,357	3,122	(373)	1,421	1,421	0
Additional FRA Works	0	0	0	0	2,300	2,300	0
M&E electrical	546	188	473	(73)	1,164	1,164	0
M&E heating	7,252	3,851	7,391	139	9,826	9,826	0
M&E lifts	1,963	1,767	2,019	56	2,530	2,530	0
WDS voids works	3,969	2,910	3,987	18	4,181	4,181	0
WDS Leathermarket JMB	1,090	0	1,090	0	1,100	1,100	0
WDS Unallocated Budget	4,627	2,113	3,558	(1,069)	5,575	5,575	
HINE Schemes							
HINE WDS works	13,315	7,593	10,765	(2,550)	14,437	14,437	0
HINE additional works	300	0	0	(300)	21,700	21,700	0
Regeneration Schemes							
Aylesbury Estate PPM works	4,381	1,944	4,191	(190)	2,192	2,192	0
Aylesbury Estate regeneration	6,609	910	6,608	(1)	8,042	8,042	0
Bermondsey Spa refurbishment	86	86	86	0	914	914	0
East Dulwich Estate	781	837	1,378	597	2,113	2,113	0
Elmington Estate	2,581	1,215	2,581	0	2,000	2,000	0
Heygate Estate	6,897	4,433	6,484	(413)	11,714	11,714	0
Hidden Homes	861	281	296	(565)	35	35	0
Hostels new build	1,200	562	1,200	0	1,330	1,330	0
Local authority new build	612	333	612	0	66	66	0
Misc regen, acquisitions and home loss	673	142	673	0	150	150	0
Other Areas							
Adaptations	1,909	1,411	1,909	0	2,250	2,250	0
Affordable housing through commuted sums	139	0	139	0	21	21	0
Cash incentive & HomeOwner buy back scheme	197	132	197	0	811	811	0
Digital switchover	604	332	604	0	0	0	0
Disposals costs	454	52	420	(34)	500	500	0
Energy	0	0	0	0	200	200	0
Installation of Sprinkler & Smoke detectors	1,000	0	1,000	0	6,683	6,683	0
Fire damage reinstatement	81	41	81	0	1,026	1,026	0
FRA Works Street Properties	1,768	0	1,768	0	1,832	1,832	0
Group repairs	0	0	0	0	272	272	0
Hostels accommodation	1,463	884	1,292	(171)	650	650	0
Leasehold / freehold acquisitions	925	20	420	(505)	300	300	0
Major voids	1,000	183	1,000	0	1,000	1,000	0
Office accommodation	0	0	0	0	0	0	0
Scheme management costs	1,000	1,127	1,000	0	1,000	1,000	0
Security	0	0	0	0	0	0	0
Sheltered accommodation	206	44	204	(2)	400	400	0
T&RA halls	465	432	465	0	501	501	0
Heating Energy Efficiency Measures	1,429	0	1,429	0	2,571	2,571	0
TOTAL	121,211	59,745	117,908	(3,303)	197,221	197,221	0
FINANCED BY:							
Corporate Resource Pool	29,428		29,428	0			0
Housing receipts	27,600	11,345	27,600	0	20,500	20,500	0
Depreciation charge (MRA)	46,800	23,400	46,800	0	47,300	47,300	0
Major Repars Reserve (MRR)	21,000	10,500	21,000	0	6,700	6,700	0
Revenue Contribution	14,900	7,450	14,900	0	14,900	14,900	0
New Homes Bonus	700		700	0	0	0	0
Grants (DH backlog funding)	14,100	7,050	14,100	0	50,700	50,700	0
Section 106 Funds	139		139	0	21	21	0
External Contributions	2,603		2,603	0	10,000	10,000	0
TOTAL RESOURCES	157,270	59,745	157,270	0	150,121	150,121	0
Forecast variation (under)/over	(36,059)	0	39,362	(3,303)	47,100	47,100	0

Project description	2015/16			2016/17 +		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
Warm Dry and Safe						
WDS carry-over schemes	0	0	0	0		0
WDS 2-year programme	0	0	0	0		0
WDS 2012 major works	227	227	0	0		0
WDS 2013 major works	4,717	4,717	0	0		0
WDS 2014 major works	13,415	13,415	0	0		0
WDS 2015 major works	19,940	19,940	0	0		0
FRA works	0	0	0	0		0
Additional FRA Works	0	0	0	0		0
M&E electrical	967	967	0	0		0
M&E heating	3,724	3,724	0	0		0
M&E lifts	773	773	0	0		0
WDS voids works	4,000	4,000	0	0		0
WDS Leathermarket JMB	1,100	1,100	0	0		0
WDS Unallocated Budget	24,250	24,250				
HINE Schemes						
HINE WDS works	568	568	0	0		0
HINE additional works	11,798	11,798	0	0		0
Regeneration Schemes						
Aylesbury Estate PPM works	1,149	1,149	0	0		0
Aylesbury Estate regeneration	8,301	8,301	0	53,749	53,749	0
Bermondsey Spa refurbishment	0	0	0	0		0
East Dulwich Estate	0	0	0	0		0
Elmington Estate	446	446	0	0		0
Heygate Estate	1,017	1,017	0	0		0
Hidden Homes	0	0	0	0		0
Hostels new build	1,328	1,328	0	0		0
Local authority new build	0	0	0	0		0
Misc regen, acquisitions and home loss	150	150	0	0		0
Other Areas						
Adaptations	2,000	2,000	0	0		0
Affordable housing through commuted sums	0	0	0	0		0
Cash incentive & HomeOwner buy back scheme	232	232	0	0		0
Digital switchover	0	0	0	0		0
Disposals costs	500	500	0	0		0
Energy	200	200	0	0		0
Installation of Sprinkler & Smoke detectors	3,595	3,595	0	21,203	21,203	0
Fire damage reinstatement	200	200	0	0		0
FRA Works Street Properties	0					
Group repairs	0	0	0	0		0
Hostels accommodation	737	737	0	0		0
Leasehold / freehold acquisitions	300	300	0	0		0
Major voids	1,000	1,000	0	0		0
Office accommodation	250	250	0	0		0
Scheme management costs	1,000	1,000	0	0		0
Security	300	300	0	0		0
Sheltered accommodation	306	306	0	0		0
T&RA halls	500	500	0	0		0
Heating Energy Efficiency Measures	0	0				
TOTAL	108,990	108,990	0	74,952	74,952	0

FINANCED BY:						
Corporate Resource Pool			0			0
Housing receipts	26,500	26,500	0	147,800	147,800	0
Depreciation charge (MRA)	46,426	46,426	0	278,600	278,600	0
Major Repars 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	600	600	0	763	763	0
Grants (DH backlog funding)	0	0	0			0
Section 106 Funds	0	0	0			0
External Contributions	0	0	0			0
TOTAL RESOURCES	93,126	93,126	0	511,163	511,163	0
Forecast variation (under)/over	15,864	15,864	0	(436,211)	(436,211)	0

Project description	Total Program 2013/14 - Future Years		
	Budget £'000	Forecast £'000	Variance £'000
Warm Dry and Safe			
WDS carry-over schemes	1,265	1,208	(57)
WDS 2-year programme	26,392	27,878	1,486
WDS 2012 major works	29,752	27,661	(2,091)
WDS 2013 major works	37,080	38,255	1,175
WDS 2014 major works	47,492	49,099	1,607
WDS 2015 major works	28,065	28,078	13
FRA works	4,916	4,543	(373)
Additional FRA Works	2,300	2,300	0
M&E electrical	2,677	2,604	(73)
M&E heating	20,802	20,941	139
M&E lifts	5,266	5,322	56
WDS voids works	12,150	12,168	18
WDS Leathermarket JMB	3,290	3,290	0
WDS Unallocated Budget	34,452	33,383	(1,069)
HINE Schemes			
HINE WDS works	28,320	25,770	(2,550)
HINE additional works	33,798	33,498	(300)
Regeneration Schemes			
Aylesbury Estate PPM works	7,722	7,532	(190)
Aylesbury Estate regeneration	76,701	76,700	(1)
Bermondsey Spa refurbishment	1,000	1,000	0
East Dulwich Estate	2,894	3,491	597
Elmington Estate	5,027	5,027	0
Heygate Estate	19,628	19,215	(413)
Hidden Homes	896	331	(565)
Hostels new build	3,858	3,858	0
Local authority new build	678	678	0
Misc regen, acquisitions and home loss	973	973	0
Other Areas			
Adaptations	6,159	6,159	0
Affordable housing through commuted sums	160	160	0
Cash incentive & HomeOwner buy back scheme	1,240	1,240	0
Digital switchover	604	604	0
Disposals costs	1,454	1,420	(34)
Energy	400	400	0
Installation of Sprinkler & Smoke detectors	32,481	32,481	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	2,850	2,679	(171)
Leasehold / freehold acquisitions	1,525	1,020	(505)
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	910	(2)
T&RA halls	1,466	1,466	0
Heating Energy Efficiency Measures	4,000	4,000	0
TOTAL	502,374	499,071	(3,303)

FINANCED BY:			
Corporate Resource Pool	29,428	29,428	0
Housing receipts	222,400	222,400	0
Depreciation charge (MRA)	419,126	419,126	0
Major Repairs Reserve (MRR)	41,100	41,100	0
Revenue Contribution	120,000	120,000	0
New Homes Bonus	2,063	2,063	0
Grants (DH backlog funding)	64,800	64,800	0
Section 106 Funds	160	160	0
External Contributions	12,603	12,603	0
TOTAL RESOURCES	911,680	911,680	0
Forecast variation (under)/over	(409,306)	(412,609)	(3,303)

FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL as at Quarter 3 2013/14											
	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
Quarter 2 report	88,799	7,170	47,013	21,959	113,038	1,473	57,771	337,223	403,285	53,749	794,257
BUDGET AS AT 2013/14 Q2	88,799	7,170	47,013	21,959	113,038	1,473	57,771	337,223	403,285	53,749	794,257
Restructure of departmental budgets											
Libraries					(124)			(124)			(124)
RFID at Newington Library					(360)			(360)			(360)
Grove Vale Library					484			484			484
RFID Libraries											
Burgess Park Revitalisation Project					(17)			(17)			(17)
Chumleigh Gardens Play area					(378)			(378)			(378)
Burgess Park Revitalisation Project					(26)			(26)			(26)
Improvements to Highways & Parks Signage					(1,036)			(1,036)			(1,036)
OLF Burgess Park BMX track					1,457			1,457			1,457
Burgess Park Revitalisation Project											
Cemetery Medium Term Burials Strategy					(739)			(739)			(739)
Honor Oak Remediation					(4,704)			(4,704)			(4,704)
Cemetery Burial Strategy					(380)			(380)			(380)
Cemetery Lodges Refurbishment					5,822			5,822			5,822
Cemetery Medium Term Burials Strategy											
RESTRUCTURED BUDGETS	88,799	7,170	47,013	21,959	113,037	1,473	57,771	337,222	403,285	53,749	794,256
Q3 - Virements to be approved											
Rye Oak Children's Centre	(10)							(10)			(10)
ST JAMES CE SCHOOL PCP 1A 11-12 health & Safety	(208)							(208)			(208)
Brunswick Park Primary School - PRU	(111)							(111)			(111)
PCP - Haymerle	146							146			146
John Ruskin boiler replacement	63							63			63
Playbuilder Pathfinder	(14)							(14)			(14)
Peckham One O'clock Club	(770)							(770)			(770)
balance of plant fabric mod pc	(43)							(43)			(43)
Items subject to further approval	177							177			177
OLF Peck Rye pitches & change rooms					(155)			(155)			(155)
RFID at Newington Library					(124)			(124)			(124)
Grove Vale Library					(360)			(360)			(360)
RFID Libraries					484			484			484
Whites Ground Playspace Refurbishment					(14)			(14)			(14)
Bermondsey Streetscape Improvements					14			14			14
Revitalise Peckham Rye(Childrens & Adults)					770			770			770
Camberwell Green					35			35			35
M&E electrical										9	9
WDS 2012 major works									11,280		11,280
WDS 2013 major works									7,574		7,574
WDS 2014 major works									8,168		8,168
WDS carry-over schemes									311		311
WDS Unallocated Budget									(27,342)		(27,342)
Total virements to be approved at Qtr 3	(770)	0	0	0	(155)	0	925	0	0	0	0

	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
PROGRAMME FUNDED VARIATIONS											
Q3 - Variations to be approved											
Parks Fields in Trust					90						90
Parks Fields in Trust					25						25
Connect 2					60						60
Burgess Park Revitalisation Project - funding swap					(200)			(200)			(200)
Burgess Park Revitalisation Project - funding swap					200						200
DOH Dementia grant - Tower Bridge Nursing Homes		915			200						915
All Hallows Community Garden							30				30
Cycle Training							(1)				(1)
Cycle Safety Checks							(1)				(1)
Cycle Parking							0				0
Commercial Way							77				77
Elephant & Castle Travel Awareness							(45)				(45)
Estate Cycle Parking							112				112
Sustainable Travel Infrastructure							20				20
Waltham Road South							45				45
Cycle to School Partnerships							285				285
Camberwell Green							185				185
Mayor's Air Quality Fund							400				400
Camberwell Library (and resource centre)							200				200
Affordable housing through commuted sums									160		160
Cash incentive & Home owner buy back scheme									500		500
Digital switchover									400		400
Local authority new build									66		66
Installation of Sprinkler & Smoke detectors									32,482		32,482
HIB Approved- HINE Additional Works WDS- Four Squares									10,800		10,800
HIB Approved - Four Squares and Portland Estate Scaffolding									934		934
Total to be approved at Q3	0	915	0	0	175	0	1,307	2,397	45,342	0	47,739
REVISED BUDGETS	88,029	8,085	47,013	21,959	113,057	1,473	60,003	339,619	448,627	53,749	841,995
VARIATIONS REQUESTED TO BE APPROVED											
FINANCED BY:											
Capital Receipt											
Major Repairs Allowance											
Reserves					200				45,182		45,382
Revenue					(200)						0
Capital Grant											200
Section 106 Funds		915			175						(200)
External Contribution											1,982
Internal Borrowing									160		375
											0
											0
TOTAL RESOURCES	0	915	0	0	175	0	1,307	2,397	45,342	0	47,739

General Fund Capital Bids 2013/14 - 23/24

Department	Bids & Proposed Schemes	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17+ £'000	Total £'000
Children's Services	Adult Autism Provision	-	-	6,000	6,000	12,000
	Primary Investment Programme	-	8,000	8,000	-	16,000
Total Children's Services		-	8,000	14,000	6,000	28,000
Environment	Energy efficiency capital investment programme - operational estate	-	250	250	2,000	2,500
	Further implementation of RFID in libraries	-	100	-	-	100
	Refurbishment at Peckham Library	-	200	350	-	550
	Cuming Museum fit out of temporary premises	-	75	-	-	75
	Legacy Investment	-	500	1,000	-	1,500
	Southwark Park Athletics Track	-	2,130	500	-	2,630
	Rolling refurbishment programme of leisure and sports facilities	-	-	150	1,200	1,350
	Modernisation of Adult Learning Services at Thomas Calton Centre - ICT works	-	150	-	-	150
	Burgess Park Revitalisation Project	-	-	-	6,000	6,000
	Additional Replacement Tree Planting	-	100	100	400	600
	Park Infrastructure and Investment Programme	-	1,500	1,500	7,000	10,000
	Monuments & memorials in the Public Realm	-	250	250	400	900
	Highways Flood prevention	-	245	245	1,960	2,450
	Principal Road Programme	-	-	1,000	2,000	3,000
	Lamp Column Replacement Programme	-	-	-	1,000	1,000
	20 mph Zone and safety cameras	-	1,000	200	-	1,200
	Cleaner, Greener safer	-	-	-	5,640	5,640
	Investment in South Dock Marina Assets	-	-	500	500	1,000
	Non Principal Road Programme	-	200	200	9,600	10,000
	Cycling Infrastructure Fund	-	500	500	1,000	2,000
	Temporary library at Elephant and Castle	200	1,000	-	-	1,200
Total Environment		200	8,200	6,745	38,700	53,845
Chief Executive	Revitalise Camberwell Regeneration projects	39	2,205	882	-	3,126
	Revitalise Peckham Rye Park	70	490	335	100	995
	Elephant & Castle Open Spaces	1,420	1,160	1,480	1,900	5,960
	Investing in Local Retail Environments Phase 2	-	200	500	1,300	2,000
	Void shop improvements and council-owned parade enhancement	-	300	425	1,275	2,000
	Walworth Town Hall	-	1,500	1,500	17,000	20,000
	Walworth Road, The Missing bit of the Jigsaw	-	350	1,550	950	2,850
	Mint Street Adventure Playground	50	750	900	300	2,000
	Pullens Yard Fire Safety Works	-	210	242	-	452
Total Chief Executive		1,579	7,165	7,814	22,825	39,383
Finance and Corporate Services	Preventative Planned Maintenance	-	2,750	2,750	22,000	27,500
	IT Planned Maintenance Programme	-	1,000	1,000	8,000	10,000
Total Finance and Corporate Services		-	3,750	3,750	30,000	37,500
TOTAL BIDS		1,779	27,115	32,309	97,525	158,728

FINANCED BY:						
Corporate Resource Pool		1,740	25,867	31,277	97,175	156,059
Reserves		-	-	-	-	-
Revenue		35	15	-	-	50
Capital Grants		2	1,073	450	350	1,875
Section 106 Funds		-	160	282	300	742
External Contributions		2	-	-	-	2
TOTAL RESOURCES		1,779	27,115	32,009	97,825	158,728

Housing Investment Programme- Summary of New Capital Bids

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Housing Stock- Capital Programme				149,888	158,566	162,321	167,307	175,430	171,577	985,089
Direct Delivery of 1000 New Homes (Ph1) - Inclusion of replacement community facility in Summer Road scheme.		500	500							1,000
Direct Delivery of 1000 New Homes - Forward Funding- Design and enabling works	4,020	8,210	2,980							15,210
Direct Delivery of 1000 New Homes - Homes for Sale		3,000	3,500	2,500						9,000
Direct Delivery of 1000 New Homes (Ph 2) - Inclusion of replacement community facility in Meeting House Lane scheme.		200	1,000	300						1,500
East Dulwich Estate Regeneration Scheme	1,163	3,251	225							4,639
Acorn / Brimington Heating Network	300	5,900	100							6,300
Conversion of TRA Hall to Community Hub		1,000								1,000
Energy Efficiency Measures to TRA Halls Estate		2,000								2,000
Adaptations				2,000	2,000	2,000	2,000	2,000	2,000	12,000
Hostels New Build		2,441	1,100	1,000						4,541
Total New Bids	5,483	26,502	9,405	155,688	160,566	164,321	169,307	177,430	173,577	1,042,279

General Fund Summary - Capital Refresh Position Including New Bids

Department	2013/14			2014/15			2015/16			2016/17+			Total Programme 2013/14-23/24		
	Budget	Spend to date	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance	Total Budget @ 01/04/2013	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adult Services	19,720	5,254	13,926	72,144	78,081	5,937	16,250	16,250	0	16,000	16,000	0	124,114	124,257	143
Southwark Schools for the Future	13,492	7,057	10,967	9,311	11,298	1,987	4,589	5,127	538	19,622	19,622	0	47,014	47,014	0
Finance and Corporate Services	6,972	3,781	5,901	6,238	7,551	1,313	6,705	6,931	226	39,544	39,076	(468)	59,459	59,459	0
Environment	29,541	9,273	22,412	28,030	35,158	7,128	20,470	20,470	0	88,861	88,861	0	166,902	166,901	(1)
Housing General Fund	1,473	145	1,233	0	240	240	0	0	0	0	0	0	1,473	1,473	0
Chief Executive	27,409	11,310	21,424	36,808	42,752	5,944	12,336	12,376	40	22,835	22,835	0	99,388	99,387	(1)
TOTAL	98,607	36,820	75,863	152,531	175,080	22,549	60,350	61,154	804	186,862	186,394	(468)	498,350	498,491	141
FINANCED BY:															
Corporate Resource Pool	21,446	23,909	21,446	56,358	56,358	0	48,125	48,125	0	161,683	161,683	0	287,612	287,612	0
Reserves	5,018	767	2,228	2,800	5,590	2,790	1,719	1,719	0	1,532	1,532	0	11,069	11,069	0
Revenue	1,245	484	1,245	15	15	0	0	0	0	0	0	0	1,260	1,260	0
Capital Grants	39,021	11,420	34,073	61,991	66,985	4,994	12,415	12,415	0	35,563	35,563	0	148,990	149,036	46
Section 106 Funds	4,519	787	2,694	4,181	5,976	1,795	282	312	30	300	300	0	9,282	9,282	0
External Contributions	1,108	560	1,108	0	0	0	50	50	0	0	0	0	1,158	1,158	0
TOTAL RESOURCES	72,357	37,927	62,794	125,345	134,924	9,579	62,591	62,621	30	199,078	199,078	0	459,371	459,417	46
Forecast variation (under)/over	26,250	(1,107)	13,069	27,186	40,156	12,970	(2,241)	(1,467)	774	(12,216)	(12,684)	(468)	38,979	39,074	95

Project description	2013/14				2014/15		
	Budget	Spend	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Warm Dry and Safe							
WDS carry-over schemes	1,234	1,097	1,177	(57)	31	31	0
WDS 2-year programme	22,744	15,805	24,230	1,486	3,648	3,648	0
WDS 2012 major works	13,428	6,347	11,337	(2,091)	16,097	16,097	0
WDS 2013 major works	5,277	642	6,452	1,175	27,086	27,086	0
WDS 2014 major works	4,525	674	6,132	1,607	29,552	29,552	0
WDS 2015 major works	125	0	138	13	8,000	8,000	0
FRA works	3,495	1,357	3,122	(373)	1,421	1,421	0
Additional FRA Works	0	0	0	0	2,300	2,300	0
M&E electrical	546	188	473	(73)	1,164	1,164	0
M&E heating	7,252	3,851	7,391	139	9,826	9,826	0
M&E lifts	1,963	1,767	2,019	56	2,530	2,530	0
WDS voids works	3,969	2,910	3,987	18	4,181	4,181	0
WDS Leathermarket JMB	1,090	0	1,090	0	1,100	1,100	0
WDS Unallocated Budget	4,627	2,113	3,558	(1,069)	5,575	5,575	0
Housing Stock- Capital Programme							
HINE Schemes							
HINE WDS works	13,315	7,593	10,765	(2,550)	14,437	14,437	0
HINE additional works	300	0	0	(300)	21,700	21,700	0
Regeneration Schemes							
Aylesbury Estate PPM works	4,381	1,944	4,191	(190)	2,192	2,192	0
Aylesbury Estate regeneration	6,609	910	6,608	(1)	8,042	8,042	0
Bermondsey Spa refurbishment	86	86	86	0	914	914	0
East Dulwich Estate	1,944	837	1,378	(566)	5,364	5,364	0
Elmington Estate	2,581	1,215	2,581	0	2,000	2,000	0
Heygate Estate	6,897	4,433	6,484	(413)	11,714	11,714	0
Hidden Homes	861	281	296	(565)	35	35	0
Hostels new build	1,200	562	1,200	0	3,771	3,771	0
Local authority new build	612	333	612	0	66	66	0
Misc regen, acquisitions and home loss	673	142	673	0	150	150	0
Direct Delivery of 1000 New Homes	4,020		4,020	0	11,910	11,910	0
Other Areas							
Adaptations	1,909	1,411	1,909	0	2,250	2,250	0
Affordable housing through commuted sums	139	0	139	0	21	21	0
Cash incentive & HomeOwner buy back scheme	197	132	197	0	811	811	0
Digital switchover	604	332	604	0	0	0	0
Disposals costs	454	52	420	(34)	500	500	0
Energy	0	0	0	0	200	200	0
Installation of Sprinkler & Smoke detectors	1,000	0	1,000	0	6,683	6,683	0
Fire damage reinstatement	81	41	81	0	1,026	1,026	0
FRA Works Street Properties	1,768	0	1,768	0	1,832	1,832	0
Group repairs	0	0	0	0	272	272	0
Hostels accommodation	1,463	884	1,292	(171)	650	650	0
Leasehold / freehold acquisitions	925	20	420	(505)	300	300	0
Major voids	1,000	183	1,000	0	1,000	1,000	0
Office accommodation	0	0	0	0	0	0	0
Scheme management costs	1,000	1,127	1,000	0	1,000	1,000	0
Security	0	0	0	0	0	0	0
Sheltered accommodation	206	44	204	(2)	400	400	0
T&RA halls	465	432	465	0	3,501	3,501	0
Heating Energy Efficiency Measures	1,729	0	1,429	(300)	8,471	8,471	0
AL	126,694	59,745	121,928	(4,766)	223,723	223,723	0

FINANCED BY:							
Corporate Resource Pool	29,428		29,428	0			0
Housing receipts	27,600	11,345	27,600	0	20,500	20,500	0
Depreciation charge (MRA)	46,800	23,400	46,800	0	47,300	47,300	0
Major Repars Reserve (MRR)	21,000	10,500	21,000	0	6,700	6,700	0
Revenue Contribution	14,900	7,450	14,900	0	14,900	14,900	0
New Homes Bonus	700		700	0	0	0	0
Grants (DH backlog funding)	14,100	7,050	14,100	0	50,700	50,700	0
Section 106 Funds	139		139	0	21	21	0
External Contributions	2,603		2,603	0	10,000	10,000	0
TOTAL RESOURCES	157,270	59,745	157,270	0	150,121	150,121	0
Forecast variation (under)/over	(30,576)	0	(35,342)	(4,766)	73,602	73,602	0

Project description	2015/16			2016/17 +		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
Warm Dry and Safe						
WDS carry-over schemes	0	0	0	0		0
WDS 2-year programme	0	0	0	0		0
WDS 2012 major works	227	227	0	0		0
WDS 2013 major works	4,717	4,717	0	0		0
WDS 2014 major works	13,415	13,415	0	0		0
WDS 2015 major works	19,940	19,940	0	0		0
FRA works	0	0	0	0		0
Additional FRA Works	0	0	0	0		0
M&E electrical	967	967	0	0		0
M&E heating	3,724	3,724	0	0		0
M&E lifts	773	773	0	0		0
WDS voids works	4,000	4,000	0	0		0
WDS Leathermarket JMB	1,100	1,100	0	0		0
WDS Unallocated Budget	24,250	24,250				0
Housing Stock- Capital Programme				985,089	985,089	0
HINE Schemes						
HINE WDS works	568	568	0	0		0
HINE additional works	11,798	11,798	0	0		0
Regeneration Schemes						
Aylesbury Estate PPM works	1,149	1,149	0	0		0
Aylesbury Estate regeneration	8,301	8,301	0	53,749	53,749	0
Bermondsey Spa refurbishment	0	0	0	0		0
East Dulwich Estate	225	225	0	0		0
Elmington Estate	446	446	0	0		0
Heygate Estate	1,017	1,017	0	0		0
Hidden Homes	0	0	0	0		0
Hostels new build	2,428	2,428	0	1,000	1,000	0
Local authority new build	0	0	0	0		0
Misc regen, acquisitions and home loss	150	150	0	0		0
Direct Delivery of 1000 New Homes	7,980	7,980	0	2,800	2,800	0
Other Areas						
Adaptations	2,000	2,000	0	12,000	12,000	0
Affordable housing through commuted sums	0	0	0	0		0
Cash incentive & HomeOwner buy back scheme	232	232	0	0		0
Digital switchover	0	0	0	0		0
Disposals costs	500	500	0	0		0
Energy	200	200	0	0		0
Installation of Sprinkler & Smoke detectors	3,595	3,595	0	21,203	21,203	0
Fire damage reinstatement	200	200	0	0		0
FRA Works Street Properties	0					
Group repairs	0	0	0	0		0
Hostels accommodation	737	737	0	0		0
Leasehold / freehold acquisitions	300	300	0	0		0
Major voids	1,000	1,000	0	0		0
Office accommodation	250	250	0	0		0
Scheme management costs	1,000	1,000	0	0		0
Security	300	300	0	0		0
Sheltered accommodation	306	306	0	0		0
T&RA halls	500	500	0	0		0
Heating Energy Efficiency Measures	100	100				
AL	118,395	118,395	0	1,075,841	1,075,841	0

FINANCED BY:						
Corporate Resource Pool			0			0
Housing receipts	26,500	26,500	0	147,800	147,800	0
Depreciation charge (MRA)	46,426	46,426	0	278,600	278,600	0
Major Repars 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	600	600	0	763	763	0
Grants (DH backlog funding)	0	0	0			0
Section 106 Funds	0	0	0			0
External Contributions	0	0	0			0
TOTAL RESOURCES	93,126	93,126	0	511,163	511,163	0
Forecast variation (under)/over	25,269	25,269	0	564,678	564,678	0

Project description	Total Program 2013/14 - Future Years		
	Budget £'000	Forecast £'000	Variance £'000
Warm Dry and Safe			
WDS carry-over schemes	1,265	1,208	(57)
WDS 2-year programme	26,392	27,878	1,486
WDS 2012 major works	29,752	27,661	(2,091)
WDS 2013 major works	37,080	38,255	1,175
WDS 2014 major works	47,492	49,099	1,607
WDS 2015 major works	28,065	28,078	13
FRA works	4,916	4,543	(373)
Additional FRA Works	2,300	2,300	0
M&E electrical	2,677	2,604	(73)
M&E heating	20,802	20,941	139
M&E lifts	5,266	5,322	56
WDS voids works	12,150	12,168	18
WDS Leathermarket JMB	3,290	3,290	0
WDS Unallocated Budget	34,452	33,383	(1,069)
Housing Stock- Capital Programme	985,089	985,089	0
HINE Schemes			
HINE WDS works	28,320	25,770	(2,550)
HINE additional works	33,798	33,498	(300)
Regeneration Schemes			
Aylesbury Estate PPM works	7,722	7,532	(190)
Aylesbury Estate regeneration	76,701	76,700	(1)
Bermondsey Spa refurbishment	1,000	1,000	0
East Dulwich Estate	7,533	6,967	(566)
Elmington Estate	5,027	5,027	0
Heygate Estate	19,628	19,215	(413)
Hidden Homes	896	331	(565)
Hostels new build	8,399	8,399	0
Local authority new build	678	678	0
Misc regen, acquisitions and home loss	973	973	0
Direct Delivery of 1000 New Homes	26,710	26,710	0
Other Areas			
Adaptations	18,159	18,159	0
Affordable housing through commuted sums	160	160	0
Cash incentive & HomeOwner buy back scheme	1,240	1,240	0
Digital switchover	604	604	0
Disposals costs	1,454	1,420	(34)
Energy	400	400	0
Installation of Sprinkler & Smoke detectors	32,481	32,481	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	2,850	2,679	(171)
Leasehold / freehold acquisitions	1,525	1,020	(505)
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	910	(2)
T&RA halls	4,466	4,466	0
Heating Energy Efficiency Measures	10,300	10,000	(300)
AL	1,544,653	1,539,887	(4,766)

FINANCED BY:			
Corporate Resource Pool	29,428	29,428	0
Housing receipts	222,400	222,400	0
Depreciation charge (MRA)	419,126	419,126	0
Major Repars Reserve (MRR)	41,100	41,100	0
Revenue Contribution	120,000	120,000	0
New Homes Bonus	2,063	2,063	0
Grants (DH backlog funding)	64,800	64,800	0
Section 106 Funds	160	160	0
External Contributions	12,603	12,603	0
TOTAL RESOURCES	911,680	911,680	0
Forecast variation (under)/over	632,973	628,207	(4,766)

General Fund Capital Programme Details					
Capital Programme 2013/14 - 2023/24	Environment				
Description of Programme / Project	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17+ £'000	Total £'000
Kingswood House Refurbishment			250		250
Thomas Calton Centre refurbishment	521				521
Camberwell Leisure Centre Phase 2	51				51
Pynners Sports Ground reinstatement works	100				100
Seven Islands Leisure Centre Refurbishment		3,000	5,000		8,000
Southwark Park Sports Complex OLF allocation	210	160			370
Other OLF Projects	361	15			376
RFIDs	101	484			585
Canada Water Public Art	72				72
Peckham Pulse Option 1 & 2	921	1,400			2,321
Leisure centres Lifecycle maintenance	120	295			415
Livesey Museum	204				204
Community Safety	1,317				1,317
SDM Essential H & S Requirements	771				771
Parking contract upfront capital costs	850				850
Walworth Road	47				47
Street care - Non Principal Roads Programme	7,201	5,050	4,000	24,000	40,251
Street metal works - Lamp column replacement	485	500	500	3,000	4,485
Cemetery Strategy	1,412	2,900		1,510	5,822
Burgess Park Revitalisation Project	1,457				1,457
GMH Park accommodation refurbishment	120				120
Other parks projects	823				823
Parking Design Projects	105				105
Southbank accessibility improvements	455				455
Connect 2	367				367
Other public realm projects funded by S106	447	121			568
Cleaner Greener Safer programme	4,350	1,880	1,880	9,400	17,510
Integrated Waste Solutions Programme	2,151				2,151
Southwark Heat Network	150				150
Housing Renewal	4,173	4,025	2,095	12,251	22,544
Further implementation of RFID in libraries		100			100
Refurbishment at Peckham Library		200	350		550
Cuming Museum fit out of temporary premises		75			75
Olympic Legacy Phase 2		500	1,000		1,500
Southwark Park Athletics Track		2,130	500		2,630
Rolling Refurb. Prog of Leisure & sports facilities			150	1,200	1,350
Modernisation of Adult Learning Services at Thomas Calton Centre - ICT works		150			150
Capital bid for temporary library at Elephant and Castle	200	1,000			1,200
Energy efficiency - operational estate		250	250	2,000	2,500
Investment in South Dock Marina			500	500	1,000
Non Principal Road Programme		200	200	9,600	10,000
Flood prevention (Highway drainage gulley replacement)		245	245	1,960	2,450
Principal Road Programme			1,000	2,000	3,000
Lamp Column Replacement				1,000	1,000
Burgess Park Revitalisation Project - Future phases				6,000	6,000
Additional Replacement Tree Planting		100	100	400	600
Park Infrastructure Capital programme		1,500	1,500	7,000	10,000
Monuments & memorials in the Public Realm		250	250	400	900
20 mph Zone and safety cameras		1,000	200		1,200
Cycling Infrastructure Fund		500	500	1,000	2,000
Cleaner, Greener safer				5,640	5,640
Environment Total	29,541	28,030	20,470	88,861	166,902
Capital Programme 2013/14 - 2023/24	Finance and Corporate Services				
Description of Programme / Project	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17+ £'000	Total £'000
Information Services	361	266	124	795	1,546
Upgrade of IT infrastructure	5,000				5,000
Property Works Programme	328		450	()	778
Works to Council Buildings - DDA	283	422	662	218	1,585
Essential upgrade of Carefirst system	1,000	1,800			2,800
PPM & Compliance Programme			1,719	8,531	10,250
IT Planned Maintenance Programme		1,000	1,000	8,000	10,000

PPM		2,750	2,750	22,000	27,500
Finance and Corporate Services Total	6,972	6,238	6,705	39,544	59,459
Capital Programme 2013/14 - 2023/24					
Chief Executive					
Description of Programme / Project	2013/14	2014/15	2015/16	2016/17+	Total
	£'000	£'000	£'000	£'000	£'000
Public Realm & Open Spaces Improvements	871	1,441			2,312
Borough & Bankside Streetscape Improvement	86	148			234
Bermondsey Streetscape Improvements	453	88			541
Improvements to Local Retail Environments	343				343
Tourism Infrastructure	202				202
Transport Infrastructure & Public Realm Improvements	5,409	2,437	100	10	7,956
Planning and Transport	41				41
Regeneration of Camberwell Town Centre & Surrounds	110	7,020			7,130
Major Schemes	267				267
Construction of a new ultra modern library & Civic Space	634	840	500		1,974
Canada Water Library	642	378			1,020
Bermondsey Spa Public Realm Improvements	654	238			893
Asset management strategies for Council's Voluntary & Community Sector Estate		1,031			1,031
Construction of a Community Centre	520				520
Spa Rd Railway Arch Improvements	5				5
Refurbishment of Office Accommodation	81				81
Lease of New Office Accommodation	526				526
Costs associated with decommissioning of surplus assets	610	73			683
Acquisition of New Office Accommodation	2,585	421			3,006
Construction of Elephant & Castle Leisure Centre	9,366	9,570			18,936
Regeneration of Peckham Rye station and surrounds	1,757	4,281	3,922		9,960
Construction of Peckham Rye Playroom, changing facilities and regen of environs	70	855			925
Housing/Area Renewal	597	821			1,418
Investing in Local Retail Environments Phase 2		200	500	1,300	2,000
Void shop improvements and council-owned parade enhancement		300	425	1,275	2,000
Walworth Road, The Missing bit of the Jigsaw		350	1,550	950	2,850
Revitalise Camberwell Regeneration projects	39	2,205	882		3,126
Revitalise Peckham Rye (includes Play, one o'clock club, changing facilities and landscaping)	70	490	335	100	995
Elephant & Castle/St Mary's Churchyard Improvements	1,420	1,160	1,480	1,900	5,960
Rebuilding of the Walworth Town Hall		1,500	1,500	17,000	20,000
Mint Street Adventure Playground	50	750	900	300	2,000
Pullens Yard fire safety & general improvement		210	242		452
Chief Executive Total	27,409	36,807	12,336	22,835	99,387
Capital Programme 2013/14 - 2023/24					
Children's & Adult Services-Children's Services					
Description of Programme / Project	2013/14	2014/15	2015/16	2016/17+	Total
	£'000	£'000	£'000	£'000	£'000
Children's Centres	232				232
3 Primaries	5,231	3,500	679		9,411
Cherry Garden Special School	750	10,564	1,150		12,464
Lynhurst expansion and refurbishment	2,469	2,998			5,467
Rotherhithe (BSF)				10,000	10,000
Primary Temporary Expansion	2,555				2,555
Carbon Reduction in schools	376	500			876
Capital Works for Free Healthy School Meals	247				247
Other primary projects	1,115				1,115
Youth Services Projects	205	352			557
Troubled Families	100	300			400
Misc projects & primary strategy programme	678	19,500	421		20,599
DfE Basic Needs and Maintenance Grants	722	22,043			22,765
Other grant allocations	741	600			1,341
Primary Expansion and Condition Programme		8,000	8,000		16,000
Children's Services Total	15,422	68,357	10,250	10,000	104,029
Capital Programme 2013/14 - 2023/24					
Children's & Adult Services-Adult Services					
Description of Programme / Project	2013/14	2014/15	2015/16	2016/17+	Total
	£'000	£'000	£'000	£'000	£'000
Southwark Resource Centre	233	42	0	0	275

Adult PSS Capital Allocations	1,050	2,145	0	0	3,195
Transformation of Learning Disability Care	600	600	0	0	1,200
Centre of Excellence	1,500	1,000	0	0	2,500
Tower Bridge Nursing Home - Dementia Grant	915	0	0	0	915
Adult Autism Provision	0	0	6,000	6,000	12,000
Capital Programme 2013/14 - 2023/24	4,298	3,787	6,000	6,000	20,085
Capital Programme 2013/14 - 2023/24	Southwark Schools for the Future				
Description of Programme / Project	2013/14	2014/15	2015/16	2016/17+	Total
	£'000	£'000	£'000	£'000	£'000
Walworth Academy	368	0	0	0	368
St Michael's PFI	407	0	0	0	407
St Michaels and All Angels (SMAA) & Highshore	10,444	0	0	0	10,444
Spa school	1	0	0	0	1
New School Aylesbury	148	827	0	0	974
Rotherhithe (CW new school)	0	0	0	19,622	19,622
Notre Dame (VA)	430	0	0	0	430
Bredinghurst / KS3 SILS	101	6,668	0	0	6,769
ICT	934	1,817	70	0	2,821
Contingency & Retention payments	660	0	4,519	0	5,179
Southwark Schools for the Future Total	13,492	9,311	4,589	19,622	47,014
Capital Programme 2013/14 - 2023/24	Housing General Fund				
Description of Programme / Project	2013/14	2014/15	2015/16	2016/17+	Total
	£'000	£'000	£'000	£'000	£'000
Ilderton travellers site wall	300	0	0	0	300
Springtide travellers site	718	0	0	0	718
Burnhill Close travellers site refurbishment	0	0	0	0	0
Affordable Housing Fund 122-148 Ivydale	455	0	0	0	455
Housing General Fund Total	1,473	0	0	0	1,473
Capital Programme 2013/14 - 2023/24	Total General Fund Programme				
	2013/14	2014/15	2015/16	2016/17+	Total
	£'000	£'000	£'000	£'000	£'000
Total Expenditure	98,607	152,530	60,350	186,862	498,349
Total Resources	72,357	125,345	62,591	199,078	459,371
Forecast variation (under)/over	26,250	27,185	(2,241)	(12,216)	38,978
Cumulative position	26,250	53,435	24,009	41,219	

Item No. 9.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Revenue Monitoring Report for Quarter 3, 2013/14, including Treasury Management	
Ward(s) or groups affected:		All	
Cabinet Member:		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 on its revenue budgets for the first nine months of the 2013/14 financial year.

On the general fund budget departments are currently projecting a net favourable variance of £616,000 against budget, although there are some areas of pressure within those figures. In particular, children's social services forecast an adverse variance of £3m against budget due to new demands - additional funding has been found in the 2014/15 budget to manage this increase. There is also an adverse variance of £179,000 projected within the housing and community services department arising from the transition to an in-house customer contact service.

The housing revenue account is showing a projected favourable variance of £803,000.

The forecasts for the collection fund indicate a surplus being generated. For council tax, this is largely as a consequence of the construction of new homes in the borough and identification of fraudulent claiming of discounts and benefits. These factors have enabled the council to safely increase its council tax base assumptions for the 2014/15 budget. However, it must also be noted that the forecast surplus has declined since quarter 2.

The surplus for business rates is lower than might have been anticipated. However, it should be noted that nationally there has been a decline in the level of business rates collected: the Local Government Chronicle on 27 February reported that a £519m deficit was forecast across the country. Given this, the small surplus forecast in Southwark is welcome news.

The treasury management monitor sets out how the council is investing its cash in short-term money markets and its outstanding debts. The largest debts are within the housing management account and the report sets out how the council is working to reduce this.

Cabinet is asked to note the contents of the report and agree the movements on the general fund budget set out in appendix A.

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 nine 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 three (December 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 three (as at 31 December 2013) by department. These estimates are based on nine 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 37 below.

Table 1: General fund forecast outturn position for 2013/14 as at Q3

General fund	2013/14 Original budget £'000	Budget movements £'000	budget 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	(7,819)	0	206,523	206,523	0
Environment and leisure	69,386	3,399	1,958	74,743	74,441	(302)
Housing and community services	39,524	(1,598)	604	38,530	38,709	179
Chief executive's department	20,566	(985)	85	19,666	19,400	(266)
Finance and corporate services	42,181	7,003	(3,471)	45,713	45,486	(227)
Support cost recharges	(57,956)	0	0	(57,956)	(57,956)	0
Total general fund services excluding contingency	328,043	(0)	(824)	327,219	326,603	(616)
Contingency	5,000	0	(4,000)	1,000	0	(1,000)
Total general fund services including contingency	333,043	(0)	(4,824)	328,219	326,603	(1,616)
Revenue contributions to capital	0	0	1,398	1,398	1,398	0
Planned appropriations to / from reserves to meet service demands	0	0	6,957	6,957	6,957	0
Planned appropriations to / from reserves for technical accounting purposes	0	0	(2,133)	(2,133)	(2,133)	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
General fund total	327,772	(0)	0	327,772	326,156	(1,616)

Note: Explanations of this quarter's budget movements are provided in Appendix A.

Q1 and Q2 movements were reported in appendices to the previous revenue monitoring reports.

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.
12. As shown in Table 1, within services there is a forecast favourable variance of £616k based on the information available at the end of December. This takes account of expected movements to and from reserves in relation to services.
13. Table 1 reflects budget movements to the end of quarter three. Appendix A details the quarter three movements only for cabinet to approve or note as is appropriate. Budget movements for quarters one and two were reported to cabinet on 17 September 2013 and 19 November 2013 respectively.

Children's and adults services

14. Children's and adults' services are forecasting an overall balanced budget of £206.5m for 2013/14. This may require use of earmarked reserves and management action to mitigate significant financial pressures.

15. As reported throughout this financial year, children's social care budget pressures remain resulting from increased activity in residential placements earlier in the financial year and financial assistance given to destitute families with no recourse to public funds. The forecast adverse variance is £3.0m. There has been a reduction in the number of residential placements since quarter two of 10% in response to management reviews undertaken. If this placement level can be maintained, future budget pressures will be mitigated.
16. This unfavourable variance is being offset by one-off favourable variances totalling £1m across education and the strategy, commissioning and business improvement team mainly attributable to staffing; and £2m in adults' services. As previously reported, adults' services favourable budget variance arises from grants which have been rolled forward from prior years. These one-off monies were being held as contingency against demand pressures which have been managed through a series of modernisation initiatives.

Schools budget

17. The dedicated schools grant (DSG) budget forecasts a favourable variance of £3.0m (1.5% of the total DSG) attributable to ongoing building capacity for two year old places whilst this new provision grows. The special educational needs pupils in independent schools budget continues to experience adverse budget pressures. The utilisation of the ring-fenced DSG is considered by the schools forum as part of the overall financial strategy.

Environment and leisure

18. The department is forecasting a favourable variance of £302k for the year compared to an adverse variance of £68k reported at end of the second quarter. The quarter 2 forecast adverse variance was due to delay in the reorganisation of the wardens and enforcement service, however this can now be contained within the overall budget of the division.
19. The ring fenced parking account is expected to be some £300k in surplus by year end, as a result of continued improvements and efficiencies in the contract management. It is anticipated that this surplus can be used next year to support capital schemes in improving the conditions on our roads and making our roads safer for cyclists.
20. 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 any other emerging pressures in the department. The department has already implemented most of the savings proposed for this financial year.

Housing and community services (H&CS)

21. The forecast for housing and community services shows an adverse variance of £179k. This represents an improvement over the position reported at quarter two, and includes £78k of redundancy costs up to this point. Unless the outturn situation improves further over the last quarter, these costs will be met from corporate reserves. As reported previously, budget pressures/risks remain in relation to the impact of welfare reforms, temporary accommodation and the customer service centre.

22. The in-house customer service centre provides the opportunity to reconfigure and improve customer access and service delivery and drive out substantial savings going forward. 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.
23. Full-year budget savings of £3m were taken for 2013/14 and further savings are proposed for 2014/15. However, some one-off budgetary pressure exists in the short-term in relation to residual contractual costs for the first two months of 2013/14 and legacy systems/ change management commitments, which will fall out over time. The phased recruitment of staff to the call centre is likely to realise some compensatory savings, but the situation remains subject to variation as the service transitions itself and the forecast should be viewed with caution at this point.
24. The cost of provision of temporary accommodation continues to exert pressure on the budget, although to a lesser extent than previously reported. Southwark is recognised as a leader in homeless prevention, but it is simultaneously facing challenges through increased homeless demand and a 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 wider welfare reforms.
25. 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 will adversely impact the general fund budget as based on demand forecasts the need to use bed and breakfast will 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

26. The chief executive's department is reporting a forecast favourable variance of £266k following adjustments for anticipated contributions to and from reserves.
27. The budget takes into account agreed savings of £520k for the department which have been incorporated into the budgets and are projected as fully achievable.
28. The forecast includes the set aside of some favourable variances in an earmarked reserve to fund on-going schemes and initiatives within the department as part of the council's overriding modernisation agenda and to draw down funding from existing reserves for schemes which are being undertaken this year. It is expected that this will result in a net contribution to reserves of £30k.
29. All budgets within the department will continue to be closely monitored for the remainder the year to identify areas of potential savings and also address any emerging additional budget pressures.

Finance and corporate services

30. Finance and corporate services is forecasting a favourable variance against budget of £227k. This forecast takes account of the expected £1m release of reserves.
31. The department is undergoing a fundamental restructure including - further reviews of the provision of IT services, further re-organisations of staffing structures across the finance and legal services divisions, and a review of major corporate facilities management contracts. Savings of £3.767m have been allocated and are expected to be met. Where this is not possible, substitute options will be found to ensure the overall target will be achieved.

Public health

32. From 1 April 2013 the council took on 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.
33. The director of public health fulfils 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.
34. Public health activities are delivered through children's and adults' services and environment and leisure. The vast majority of this expenditure is on third party service providers and there is a potential budget pressure emerging in sexual health services. First call for funding any pressures would be the budget held to mitigate financial risk.
35. A 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. A favourable variance against the staffing budget is forecast for 2013/14 as the public health team builds to full capacity.
36. Overall the position at quarter three remains unchanged from that at quarter two. It is anticipated that the grant will be fully spent this year. However as previously stated, 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

37. The 2013/14 budget included £5m for contingency, held to meet unforeseen costs that may arise during the year within departments that strategic directors are unable to contain. At quarter three no significant pressures have been identified that will require a call against this contingency. Therefore £4m of the total £5m has been set moved to reserves. As previously reported this will be used to meet the current assumption that in 2014/15 a £6.2m contribution from reserves will be required to support the general fund budget.

Capital

38. 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. When this occurs cabinet is asked to approve or note these contributions in Appendix A.

Housing revenue account (HRA)

39. Table 2 below shows the current forecast outturn position for quarter three 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 Q3

Services	Net Expenditure		
	Full Year Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000
Operations	(173,814)	(174,272)	(458)
Maintenance & Compliance	46,847	48,255	1,408
Major Works	1,606	827	(779)
Specialist Housing Services	(37,240)	(38,088)	(848)
Strategic & Corporate Services	128,026	128,143	117
Customer Experience	2,873	2,873	0
Community Engagement	2,129	2,007	(122)
Regeneration Initiatives	1,173	1,052	(121)
Heating Account	12,198	12,198	0
Direct Revenue Funding of Capital	12,727	12,727	0
Total	(3,475)	(4,278)	(803)
Appropriations to /(from) Reserves	3,475	4,278	803
Total	0	0	0

40. Rent collection performance at week 39 is 98.80% for mainstream tenanted stock. This is an improvement over the same point last year and shows resilience despite the generally weak economic conditions and the impact of benefit reforms. The council continues to provide assistance to those in most need in a variety of ways, including a £1m top-up from the HRA to the Discretionary Housing Payment fund, specifically for council tenants.
41. 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 since the summer, such that this is now expected to be under budget and provides the opportunity for savings going into next year.
42. 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.

43. The 2013/14 Housing Revenue Account (HRA) Rent Setting and Budget Report was approved by cabinet on 29 January 2013. In taking its decision, cabinet recommended that a number of areas identified for the HRA redirection of resources were of particular importance and should be developed into detailed programmes for consideration by residents.
44. Following consultation an external decorations programme of £1m each year for 2013/14 and 2014/15 was identified and reported to Cabinet in May 2013.
45. While there has been a delay to the start of this programme which is reflected in the forecast favourable variance for major works, any unused resource will be carried forward with the expectation that the programme is completed in 2014/15.
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, which will be quantified during quarter four.
47. Revenue service charge billing is currently forecast on target, but prior-year account actualisations are likely to be higher than expected and will be finalised during the quarter four. Combined collection performance for capital and revenue service charges at quarter three is above target at £20.6m (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 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 a better balance through planned contributions from revenue, and this continues for 2013/14.
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 £4.3m will be contributed from the operating account in the current year, broadly 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 three 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 3

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
Total General Fund	(24,842)	(23,742)	(1,100)	0
HRA	(6,033)	(6,033)		0
Total Savings	(30,875)	(29,775)	(1,100)	0

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. The children's and adults' services adverse variance on savings have been offset against compensating favourable variances within the department. As previously reported, there is an adverse variance for the adults' services savings expected from the service redesign of arrangements the adult social care role within mental health of £700k and a delay in the education services restructure of specialist educational services resulting in £400k adverse variance.

Reserves

53. As previously reported, 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 previously 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 31 December 2013.

Table 4: Collection fund account

Collection Fund Account	Estimated balance as at 31/03/2014 (surplus)/deficit £'000	Southwark share £'000	Comments
Council Tax	(1,753)	(1,316)	75.1% Southwark; 24.9% GLA
Business Rates (NNDR)	(36)	(11)	30% LBS; 20% GLA; 50% CLG
Business Rate Supplements (BRS)	0	0	100% GLA
	(1,789)	(1,327)	

Council tax

61. Council tax cash collection continues to perform well when compared to the same period last year. While the 10% reduction in central government support for the council tax reduction scheme has increased the amount of council tax to be collected by £2.8m, the council still expects to 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 current indications are that the council tax account will make a surplus of £1.8m, of which the council's share would be £1.3m. As reported previously this is mainly because the council tax collectable has increased compared to the estimate when the council tax was set in January 2013, while at the same time collection performance is estimated to be maintained at a level above the previous year. Therefore, income due has increased whilst reducing the cost for bad debt provision.
63. The current forecast is lower than the quarter 2 estimate of £2.5m surplus. This is due mainly to a higher level of exemptions and discounts anticipated.

Business rates

64. The collection rate for business rates is being tracked closely. Previous years' collection and trends are modelled together with intelligence on changes to the net collectable amount through new builds and deletions. Socio economic factors are considered taking into account national issues such as businesses hit by the recession.
65. 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.
66. 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.
67. 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.
68. At quarter three, the NNDR account is estimated to make a surplus of £36k, and the council's share of this surplus (30%) is £11k. The surplus balance is due to NNDR income collectable being more or less on target to that estimated in January for the NNDR1 setting. The estimate includes a £5.6m provision for NNDR appeals, which is difficult to assess with any degree of certainty due to factors outside of the council's control. With the information available, this represents the council's best estimate. The surplus position if realised at year end, will not impact on this year's budget but will be accounted for as part of the NNDR setting for 2014/15.

Business rate supplement

69. 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

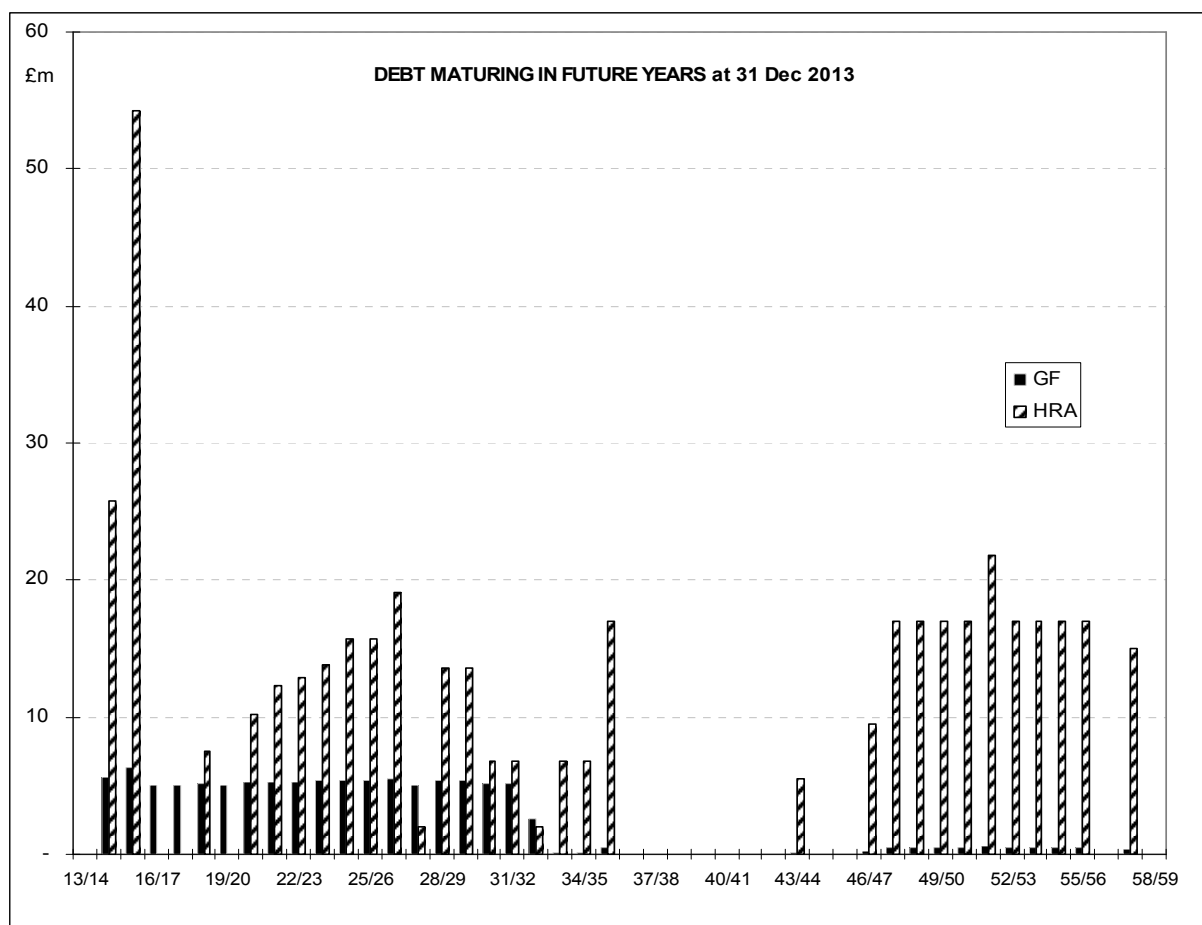
70. The council holds cash in short term money market instruments diversified across major banks and building societies and in bonds and bills issued by the UK government or supranational entities. The investments themselves are managed by an in-house operation and two investment firms: Aberdeen Asset Managers and AllianceBernstein. Capital preservation and liquidity remain priorities. Over the first three quarters of the year the sum invested averaged £242m and as at 31 December 2013 stood at £233m. 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.
71. The return for the financial year to 31 December 2013 is 0.4%, reflecting low UK base rates (0.50%, equivalent to 0.38% over the three quarters) and the stimulatory monetary policies which central banks here and abroad still have in place.

INVESTMENT COUNTERPARTY AND RATINGS - 31 DEC 2013									
EXPOSURE £m	FUND				Fitch Ratings				
COUNTERPARTY	Aberdeen	Alliance Bernstein	In-House	£m	Long	Short	Support	Sovereign	Sovereign Rating
NORDEA BANK FINLAND	3.5	-	-	3.5	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+
BANGUE NATIONAL DE PARIS - PARIBAS	3.5	2.0	-	5.5	A+	F1	1	FRANCE	AA+
DEUTSCHE BANK	-	3.0	-	3.0	A+	F1+	1	GERMANY	AAA
GLOBAL TREAS FUNDS-MMF	-	-	4.0	4.0		AAA		GLOBAL	
RABOBANK	-	2.0	-	2.0	AA-	F1+	1	NETHERLANDS	AAA
ING BANK	3.4	2.0	10.0	15.4	A+	F1+	1	NETHERLANDS	AAA
ABN AMRO BANK	3.5	2.0	-	5.5	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	6.3	-	9.8	AAA	F1+		SUPRANATIONAL	AAA
SVENSKA	3.3	-	15.1	18.4	AA-	F1+	1	SWEDEN	AAA
SKANDINAVISKA	3.5	1.0	-	4.5	A+	F1	1	SWEDEN	AAA
CREDIT SUISSE	3.5	2.1	-	5.6	A	F1	1	SWITZERLAND	AAA
NATIONWIDE BSOC	3.3	-	10.0	13.3	A	F1	1	UK	AA+
RBS/NATWEST	-	-	62.9	62.9	A	F1	1	UK	AA+
UK TREASURY	-	22.4	-	22.4	AA+	F1+		UK	AA+
BARCLAYS BANK	5.0	-	15.1	20.1	A	F1	1	UK	AA+
LLOYDS BANK	-	-	15.1	15.1	A	F1	1	UK	AA+
BNY MELLON	0.5	0.1	-	0.6	AA-	F1+	1	US	AAA
Total £m	50.5	50.4	132.2	233.1					

INVESTMENT MATURITY PROFILE AND LONG TERM RATING - 31 DEC 2013				
Yr Band	A+ to A	AA+ to AA-	AAA	Grand Total
Up to 1 Yr	159.0	39.7	9.9	208.6
1-2 Yrs			8.6	8.6
2-5 Yrs		7.1	8.8	15.9
Grand Total £m	159.0	46.8	27.3	233.1

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)
1	Extremely high probability of support, if it were needed

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). The sums falling as maturities in the future are set out in the chart below. The £5m general fund loans, which fall due in 2013/14, have been paid off and will be financed from the minimum revenue provision that the council sets aside each year to reduce debt. The HRA also has capacity to set aside prudent sums for debt repayment, and £25.8m in HRA debt, originally due to mature 2014/15 is planned to be paid off in the 4th quarter of 2013/14.



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 2 report to Cabinet 19 November 2013 (Item 11)	160 Tooley Street London SE1 2QH	Vernon Smith 020 7525 7355
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4552&Ver=4		
Policy and Resources 2013/14 - 2015/16: cabinet 12 February 2013 (Item 8)	160 Tooley Street London SE1 2QH	Vernon Smith 020 7525 7355
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4251&Ver=4		

APPENDICES

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

AUDIT TRAIL

Cabinet member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead officer	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
Report author	Jennifer Seeley, Deputy Finance Director	
Version	Final	
Dated	6 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	No	No
Strategic Director of Finance and Corporate Services	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		6 March 2014

APPENDIX A

Budget movements to be approved

Department from	Amount £'000	Department to	Amount £'000	Reason
Contingency	(4,000)	Appropriations	4,000	Contingency fund taken to reserves to help mitigate against the planned contribution from reserves to support the 2014/15 general fund budget
Finance and corporate services	(3,991)	Appropriations	3,991	Contribution to reserves to fund future building compliance and planned preventative maintenance costs
Finance and corporate services	(1,206)	Appropriations	1,206	Contribution to reserves from the London living wage budget to be drawn down as needed when contracts are re-procured
Children's and adults services	(609)	Finance and corporate services	609	Transfer of funding for the children's specialist services finance team
Appropriations	(302)	Finance and corporate services	302	Additional costs incurred as a result of re-organisation and restructuring within the department
Children's and adults services	(300)	Chief Executives	300	Transfer from children's services to the property team for the delivery of schools capital programme
Appropriations	(261)	Finance and corporate services	261	Further costs related to decommissioning properties

Budget movements to be noted

Department from	Amount £'000	Department to	Amount £'000	Reason
Finance and corporate services	(181)	Chief Executives	181	Budget transfer to Communications
Appropriations	(120)	Chief Executives	120	Release of reserves to meet the legal cost of planning appeals
Appropriations	(53)	Environment and leisure	53	Legal fees related to illegal fly tipping in cemetery case
Appropriations	(51)	Finance and corporate services	51	Release of reserve to meet employment tribunal costs
Children's and adults services	(46)	Housing and community services	46	Transfer the budget of the children's services complaints function to customer resolution
Appropriations	(40)	Housing and community services	40	Release of cleaner, greener, safer reserve to community councils
Chief Executives	(30)	Appropriations	30	Increase in resources set aside to fund ongoing commitments to the modernisation agenda.
Finance and corporate services	(20)	Chief Executives	20	Transfer of budgets related to the Potters Field project
Finance and corporate services	(10)	Housing and community services	10	Grant made to the Mayor's Charity to fund Pecan Foodbank. The funding is being released by Corporate Facilities Management as a result of savings achieved through the closing of the Tooley Street Offices on Friday 27 December 2013.

Item No. 10.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Response to the Education and Children’s Services Scrutiny Sub-committee’s Review of Bullying	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Dora Dixon Fyle, Children’s Services	

FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR CHILDREN’S SERVICES

The service seeks and welcomes feedback which enables it to improve the education and well-being of the children and young people of Southwark, and we continue to identify areas for improvement. The education and children’s services scrutiny sub-committee’s report and recommendations are received in this context.

The recommendations will support the service and ensure that children and young people in Southwark receive the support and information they may need to feel safe from bullying or bullying related situations that affect their safety and well being.

Of the 16 recommendations of the sub-committee we are already performing 12 as part of our commitment to reducing incidences of bullying behaviour and promoting the well being of children and young people so that they can learn in safe environments. Of the 4 remaining the response to the recommendations in the main report detail how these will be progressed.

Children’s Services recognise the paramount importance of the safety and well being of children and young people and will continue to ensure that our key partners continue to promote strategies that combat bullying behaviours.

RECOMMENDATION

1. That Cabinet agree the proposed responses to the recommendations of the Education and Children’s Services Scrutiny Sub-Committee’s into the Review of Bullying.

BACKGROUND INFORMATION

Education and Children’s Services and Leisure Scrutiny Sub-Committee

2. In December 2013, the Education, Children’s Services and Leisure Scrutiny Sub Committee provided its report on the issue of bullying in schools and made a series of recommendations for moving forward. Proposed responses to these recommendations are set out below.
3. Supporting vulnerable children is a key priority of the Council as set out in the Children and Young Peoples Plan. This and other strategic frameworks commit the Local Authority and partners to keep children and young people safe, and

provide opportunities to enable them to flourish and achieve their full potential.

4. In March 2012, the Department for Education issued revised guidance for Preventing and Tackling bullying, which shifted responsibilities to schools. The guidance made only one reference to a local authority having a role – that when a bullying incident is so severe it should be addressed as a child protection issue under Children Act 1989 statutory duties.
5. The guidance describes bullying as “Bullying is behaviour by an individual or group, repeated over time, that intentionally hurts another individual or group either physically or emotionally. Bullying can take many forms (for instance, cyber bullying via text messages or the internet) and is often motivated by prejudice against particular groups, for example on grounds of race, religion, gender, sexual orientation, or because a child is adopted or has caring responsibilities. It might be motivated by actual differences between children, or perceived differences. Stopping violence and ensuring immediate physical safety is obviously a school’s first priority but emotional bullying can be more damaging than physical, teachers and schools have to make their own judgments about each specific case.”
6. The guidance makes special reference to the use of the concept of ‘cyber bullying’ “the rapid development of, and widespread access to, technology has provided a new medium for “virtual” bullying, which can occur in or outside school. Cyber bullying is a different form of bullying and can happen at all times of the day, with a potentially bigger audience, and more accessories as people forward on content at a click.

KEY ISSUES FOR CONSIDERATION

Recommendations from the Education and Children’s Services Scrutiny Sub-Committee and proposed cabinet response

Recommendation 1

7. That Cabinet considers nominating the cabinet member for children and young people to take overall responsibility for implementing the council’s work to address bullying.

Response

8. The portfolio for the cabinet member for children and young people includes the responsibility for safeguarding and welfare, an aspect of which is to support schools to implement anti bullying strategies and ethos. Each school’s Behaviour Policy addresses all aspects of bullying; Ofsted makes judgments about the impact of the school’s policy and procedures. The Local Authority’s School Improvement Team support and challenge (when necessary) the school’s procedure and regular safeguarding checks and reviews are a feature of the LA’s monitoring of schools.

Recommendation 2

9. That cabinet considers nominating a senior officer to lead on delivery of this work.

Response

10. The responsibility for securing a safe and supportive learning environment rests with schools. The safety and well being of children and young people is a day to day responsibility of every school, judged through Ofsted inspections and monitored through the Standards and School Improvement Team. Safeguarding audits and Ofsted inspections ensure that policy and procedure is having an impact. Officers within the School Improvement Team and Early help (comprising social and mental health workers) have the monitoring and quality assurance responsibility.

Recommendation 3

11. That information be cascaded to schools on the work of Kidscape and the Cybersmile Foundation on tackling bullying and cyber bullying.

Response

12. This will be done through the usual communication channel by the Director of Education to schools. A recent Professional Development and Training programme for schools delivered by the School Improvement Team, conducted specific sessions on Kidscape and Cyber bullying. Officers work with the Southwark mediation service to develop resources for schools.

Recommendation 4

13. That training be promoted that brings together teachers, young people and their families to enhance communication and knowledge in relation to online and media and cyber bullying.

Response

14. Training programmes are in place to enhance best practice strategies to reduce instances of bullying. Recently schools attended an Anti Bullying Conference, covering such topics as cyber-bullying, developing anti bullying alliances, anti homophobic bullying, and expectation of Ofsted (and the Local Authority) in the context of pupil welfare. Information about resources to tackle bullying are cascaded to schools and shared between them where good practice is recognised. An anti-bullying tool kit produced by the Local Authority is a valued resource in schools. Schools are supported to take part in national anti bullying week each November.

Recommendation 5

15. That initiatives such as Kindness Weeks and cyber bullying awareness days be encouraged, which promotes the values of care and kindness. Initiatives such as these can also help develop emotional intelligence and an awareness of what constitutes acceptable behaviour online.

Response

16. This initiative is the responsibility of schools however the council will encourage schools, through Head Teacher meetings and other avenues, to include this alongside other activities which schools currently implement.

Recommendation 6

17. That the use of role play in schools be encouraged in order to develop emotional literacy

Response

18. This activity is already a key strategy for schools.

Recommendation 7

19. That schemes be promoted that support bullied children to build self esteem and develop assertiveness skills

Response

20. Schools have in place a range of strategies to support children and young people who may be the victim of bullying. At the heart of a school's Behaviour Policy is the development of self esteem, confidence and well being in pupils. School Councils regularly review the impact of behaviour Policies and the reduction of bullying is a key aspect of their agenda. Many schools engage the resources and expertise of agencies such as Place to B. The Early Help Team with its Education Welfare Officers and Family Liaison Officers support pupils and families where incidents of bullying have occurred.

Recommendation 8

21. That counselling services such as Place2Be be supported

Response

22. Place2Be currently operates in many Southwark schools. Council will promote this, and other similar organisations to schools.

Recommendation 9

23. That school children be empowered to raise issues and the box scheme and other schemes be extended so that children, young people and the public can raise concerns easily, particularly around school bus routes.

Response

24. Officers will discuss with schools the importance of pupils raising issues and having a voice. All schools have a school council comprising pupils. This avenue is one which pupils use frequently to raise issues of concern or suggestions for improvements. Many schools use the box system. During inspections Ofsted look for evidence of pupil voice and strategies in schools for pupils to feel comfortable in raising issues. To date, no school has been found to be inadequate in this area and of the 55 schools inspected under the new framework of September 2012, 52 were judged good or outstanding.

Recommendation 10

25. That placing wardens and transport police on problematic bus routes such as the 381 be considered.

Response

26. The Council, MPS Southwark and Transport Police undertake regular reviews of intelligence in relation to bus routes and bus stops where there are emerging issues of crime and anti social behaviour. The approach is to maximize the resources that are available, providing a wardens and local policing teams presence in the vicinity of schools and local bus stops at the end of each day and using Transport police and revenues officers on the bus routes. This approach helps to maximize the coverage and key routes and locations can be reviewed through our regular partnership tasking meetings which take place every fortnight.

Recommendation 11

27. That training to teachers be promoted on bullying and involvement with gangs/serious offending so that they are more able to work effectively with young people at risk. That it can be ensured that training is done by people who are credible and knowledgeable.

Response

28. The Council, through its Youth Offending Service (YOS) and community safety specialist gangs team are a resource which the schools may draw upon for training and support. These involve a range of voluntary and community organizations which specialise in the area.
29. Home office research into educational programmes to address gangs and gang violence highlighted that there is limited evidence that programmes in schools are effective. The report highlights that "Mentoring, anti-bullying programmes, improving social skills, involving parents and cognitive behavioural therapy all have good evidence of success when applied appropriately". Testimonies by ex gang members, for example, have less evidence of success and can, in some circumstances have a negative outcome. (Addressing youth violence and gangs – Practical advice for schools and colleges; Home Office 2013)

Recommendation 12

30. That a forum be provided for teachers to share concerns and information on young people involved, or at risk of involvement with gangs/serious offending

Response

31. YOS provides information, advice and support to teaching staff and others through its monthly Gangs Forum.
32. This forum may be used by teachers and others to discuss how we can work collaboratively to improve the sharing of information and deliver interventions, whilst recognizing that gangs violence and influences has positively decreased over the last two years.

Recommendation 13

33. That encouragement and support be provided for schools to develop Gang Prevention Strategies.

Response

34. It is important to note that the profile of gangs and gang affiliation has significantly changed in Southwark over the past two years. The council through the specialist services in community safety, youth offending team and youth service will continue to provide support for schools with a focus on developing approaches that enable schools to access those specialist services and established multi agency responses. There is evidence that where this approach has taken place before, it has proven to be successful and draws on the skills of the school, council and voluntary organisations who can work collaboratively and targeted towards those most affected by the influences of gang violence.

Recommendation 14

35. That groups such as Safe N Sound, Empowering People for Excellence and CitySafe be invited to join the Safer Schools Steering group.

Response

36. The Safer schools Steering group has been established to review issues in and around the school environment. It includes discussions of specific concerns or emerging issues which are confidential in their nature. As such it would not be appropriate to involve external organisations at this time.

Recommendation 15

37. That more accessible information be provided on local LGBT networks for young people and consideration be given to developing a network for Southwark young people, possibly with the support of Southwark's LGBT forum.

Response

38. Council provides space and other opportunity for Southwark's LGBT forum, which is attended by young people. The forum meets regularly and is the vehicle through which suggestions and recommendations are made. This recommendation will be put to the forum by the adult by the Cabinet Member at one of their regular meetings.

Recommendation 16

39. That Speaker Box, the Looked After Children Panel, the Safeguarding Children Board and the Corporate Parenting Committee be consulted on anti bullying work with children receiving care.

Response

40. The groups above already consider matters in relation to bullying at regular intervals. Coincidentally the Speaker Box Children in Care Council, plan to feature an article about bullying in their Speaker Box Magazine, spring edition.

Policy implications

41. There are no policy implications.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Bullying - School and Council Policy to Support Vulnerable Children and to Reduce Poor and Abusive Peer Relations (Education, Children's Services and Leisure Scrutiny Sub-Committee) – Report to Cabinet 10 December 2013 (Item 8)	Council Offices 160 Tooley Street, London SE1 2QH	Everton Roberts 020 7525 7221
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4553&Ver=4		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Dora Dixon-Fyle, Cabinet Member for Children's Services	
Lead Officer	Romi Bowen, Strategic Director of Children's and Adults' Services	
Report Author	Merril Haeusler, Director of Education	
Version	Final	
Dated	7 March 2014	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	No	No
Strategic Director of Finance and Corporate Services	No	No
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	7 March 2014	

Item No. 11.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		School Places Strategy Update	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Dora Dixon-Fyle, Children's Services	

FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR CHILDREN'S SERVICES

Considerable progress has been made over recent years both in keeping pace with increased demand for primary and secondary school places and in driving up standards of educational achievement. An additional 1,080 extra primary school reception places were created between 2009 and 2013, alongside rapidly improved levels of achievement in English and maths combined of 83% compared to the national average of 79%. 80 per cent of primary schools have been judged good or outstanding by Ofsted, which is in the top quartile of performance nationally. At the same time, Southwark's GCSE results achieved record levels of improvement in 2013, with 65.2% of pupils receiving five or more A* to C grades at GCSE or equivalent, significantly better than the national average of 60.8 per cent. As a result, Southwark's secondary schools are now ranked 33rd in England, a leap of 38 places from the previous year, which moves the borough into the top 25% in the country.

None of this would have been possible without sustained investment in school places and the schools estate over recent years – the council has spent £170 million in improving Southwark's primary and secondary schools over the past four years.

Forecast demand for primary and secondary school places continues to rise. Between 17.5 and 23 additional forms of entry (FE) will be required in Southwark's primary schools by September 2016 and, although there is currently an overall surplus of secondary school places, a further 18 FE for Year 7 pupils is forecast to be required by September 2019 across the borough.

The pace and scale of the increase in demand for school places requires a continuing investment programme, one that maximises efficiency and effectiveness of the borough's existing schools estate, builds on the success and popularity of local high-performing schools and seeks to engage external funding sources and school providers to ensure the best opportunities for the borough's school children. A primary school investment programme, aimed at meeting expansion targets up to September 2016, is already underway and initial steps are being taken to establish an equivalent programme to meet the demand for secondary schools expansion.

This report sets out in detail the continuing demand in the borough for primary and secondary school places, describes the steps being taken to meet that demand, identifies a number of issues and challenges that need further exploration and recommends that a further report be brought to cabinet in July 2014 with options for a new secondary school in the borough, and for additional primary places required to fine tune supply and demand in the north of the borough.

I recommend this report to cabinet.

RECOMMENDATIONS

1. That Cabinet notes the forecast demand for primary and secondary places and the associated need for additional school places.
2. That Cabinet notes the approach for meeting primary demand described in paragraphs 5 to 10 in this report.
3. That Cabinet agrees that officers bring an update report to the July 2014 cabinet meeting on the free school proposals in the south of the borough and options for new primary places in the north.
4. That Cabinet notes that the financial implications of an expansion to the primary and secondary estate are significant and further discussions will be required with funding bodies to ensure that sufficient resources are available to deliver the new secondary places required.

BACKGROUND INFORMATION

Primary

5. The Primary Investment Strategy was agreed by Cabinet in July 2013 and updated by the Cabinet Member for Children's Services in January 2014. The forecast shortfall in reception places is shown in Table 1 below.

Table 1: Shortfall in reception places by primary planning area

	September 2014	September 2015	September 2016
North West (Borough, Bankside and Walworth)	0 FE	0 FE	2 to 3.5 FE
North East (Bermondsey and Rotherhithe)	4 to 5.5 FE	6.5 to 8 FE	7.5 to 9FE
Central West (Camberwell)	0 to 0.5 FE	1.5 to 2.5 FE	2 to 3 FE
Central East (Peckham and Nunhead)	2 to 3.5 FE	3 to 4 FE	4.5 to 5.5 FE
South (Dulwich)	2.5 to 3 FE	1.5 to 2 FE	1.5 to 2 FE
Total	8.5 to 12.5 FE	12.5 to 16.5FE	17.5 to 23FE

Notes: FE is an abbreviation of Forms of Entry. One form of entry is equivalent to 30 additional places in a year group or 210 places across a school.

The higher figure in the range incorporates a 5% planning margin.

6. A Primary Investment Programme to deliver the strategy will provide an additional 21.5 forms of entry (FE) to meet the forecast demand by September 2016. Table 2 summarises the schools, sites and free schools that are proposed to deliver the required primary places.

Table 2: Primary investment programme

School	Ofsted Rating	Type	Planning Area	Additional Forms of Entry by September 2016 (forecast demand shown in brackets)
Keyworth	Outstanding	Expansion	Borough, Bankside and Walworth	0 ¹
Charles Dickens	Outstanding	Expansion	Borough, Bankside and Walworth	0.5
Robert Browning	Good	Expansion	Borough, Bankside and Walworth	0.5
			Subtotal	1 (2 to 3.5)
Southwark Free School	N/A	Free School	Bermondsey and Rotherhithe	2
Albion	Outstanding	Expansion	Bermondsey and Rotherhithe	1
Grange	Good	Expansion	Bermondsey and Rotherhithe	0.5
Galleywall	N/A	New provision	Bermondsey and Rotherhithe	2
Redriff	Outstanding	Expansion	Bermondsey and Rotherhithe	1
			Subtotal	6.5 (7.5 to 9)
Belham (Old Bellenden School)	N/A	New Free School	Camberwell	2
Bessemer Grange	Good	Expansion	Camberwell	1
Crawford	Outstanding	Expansion	Camberwell	1
			Subtotal	4 (2 to 3)
Gloucester	Good	Expansion	Peckham and Nunhead	1
Bellenden	Good	Expansion	Peckham and Nunhead	1
Harris Primary Free School Nunhead		New Free School	Peckham and Nunhead	2
Ivydale	Good	Expansion	Peckham and Nunhead	2
			Subtotal	6 (4.5 to 5.5)
Judith Kerr Free School	N/A	Free School	Dulwich	1 ²
Harris Primary Free School East Dulwich	N/A	Free School	Dulwich	2
Dulwich Wood	Good	Expansion	Dulwich	1
			Subtotal	4 (1.5 to 2)
			Total	21.5 (17.5 to 23)

Notes:

1 – No net increase as a result of Keyworth's increase by half FE offsetting historic reduction of Townsend by half FE.

2 – Two form entry school but assuming one form of entry for planning purposes.

7. This shows that whilst the proposed overall number of additional places will meet the forecast demand, the distribution of places indicates pressure in the north of the borough. Conversely there are sufficient to excess places in the south with

the addition of a 2FE Harris primary free school in Nunhead recently approved by the Department for Education to open in September 2015.

8. Officers in regeneration, housing and children's and adults' services are reviewing opportunities to relieve the forecast pressure for 2016 in the north of the borough and will update cabinet on the options in July 2014.
9. Implementation of the primary investment programme is under way. This includes the preparation of the required building schemes so that the accommodation will be in place for the school expansions and scoping options for new provision at the Galleywall site.
10. A separate report to Cabinet seeks agreement to the permanent enlargement of Keyworth primary school from September 2014, Albion, Bessemer Grange, Crawford and Grange primary schools from September 2015 and Charles Dickens primary school from September 2016 following the necessary statutory local consultations.

Secondary

11. In August 2007 Southwark's Outline Business Case (OBC) for the Building Schools for the Future (BSF) programme identified the need to deliver an additional 10 forms of entry of secondary places by 2016. This was largely to be delivered through the delivery of two new secondary schools responding to demand expected to be created in the key regeneration areas - Heygate/Aylesbury and Rotherhithe/Bermondsey Spa/Canada Water.
12. In the Heygate/Aylesbury area the new school will be the University Engineering Academy South Bank, which will open in September 2014 in Trafalgar Street SE17 delivering 5 FE of places.
13. Part way through the BSF programme the funding for the new 5 FE school proposed for the Rotherhithe area was withdrawn by Partnerships for Schools (now the Education Funding Agency). Subsequently the Compass Free School in Bermondsey opened in September 2013 delivering circa 3 FE of places.
14. Other changes have taken place to the planned delivery of new places since the OBC. A significant fall in roll at St Michaels and All Angels Academy resulted in a new sponsor and a reduction in the proposed new school's roll. The Harris Academy at Peckham also reduced its roll by 2 FE while the City of London Academy increased by 2 FE.
15. In total almost 9FE of net new places will have been delivered by 2014, when compared to 2007, close to the 10FE proposed through the BSF programme.

KEY ISSUES FOR CONSIDERATION

Pupil place planning

16. Southwark's pupil place planning is commissioned from the Greater London Authority (GLA), which also provides this service for the majority of London boroughs. The projections are refreshed annually and draw upon:
 - Current school rolls based on the January schools' census
 - Birth rates

- Underlying population projections
- Migration
- New housing

Primary places

17. In primary place planning the borough is split into five smaller planning areas to enable place planning to respond to the more local pressure for places whereas secondary planning is carried out on a borough-wide basis because the catchment areas for secondary schools extends as far as and often further than the borough's boundaries, and secondary age pupils are able to travel to secondary schools both in and outside the borough.
18. Local authority planning of school places has become more complicated as a result of structural changes to education provision, particularly the opportunity for sponsors to establish free schools that respond to locally expressed need rather than in response to the pressure for places. The addition of primary free school places is welcome where they meet forecast demand, however it adds a further variable to the place planning mix and requires local authorities to be even more flexible and responsive in their planning.
19. Southwark, like its neighbouring authorities, is also aware of the cross border movement by pupils both at primary and more widely at secondary level. Intelligence about proposals in our neighbouring boroughs both for expansions of existing schools and new free schools therefore inform the place planning agenda. This is in the context that all our neighbouring boroughs are planning additional primary places in the light of considerable projected growth in the need for primary places over the next few years.
20. There is a free school proposal for a Crystal Palace Primary School, which is planning to open in September 2015 on the basis of an admissions zone that would marginally extend into the south of the borough. This new free school would meet the forecast need for additional places in Bromley, Croydon, Lambeth and Lewisham as well as impacting on Southwark. The impact of this new provision will be kept under close review and will inform future place planning.

Secondary Places

21. Secondary place demand is more unpredictable than at primary as a result of a number of factors. For instance, there is greater movement of secondary age children and their families both in terms of their housing, with historically many families moving out of borough prior to or during their children's secondary education, but also in terms of them accessing secondary provision out of borough while remaining resident in Southwark as a result of the greater willingness to travel to secondary school. These trends have been changing in recent years as a combination of the improved performance and associated reputation of Southwark's schools and also the impact of the recession on the housing market and the ability and desire of families to move.
22. More recently house prices have begun to rise steeply in some areas of the borough which may well change the pattern of movement by families as children approach secondary school age compared to previous trends.

23. Table 3 shows the Year 7 pupil place demand against current availability.

Table 3 Secondary Place demand

		Sept 2013	Sept 2014	Sept 2015	Sept 2016	Sept 2017	Sept 2018	Sept 2019	Sept 2020
Year 7	Pupil Place Demand	2444	2567	2653	2899	2940	3140	3403	3280
Year 7	Available Places	2636	2876	2876	2876	2876	2876	2876	2876
	Difference (Pupil number/ FE)	192/ +7.3	309/ +10.7	223/ +7.8	-23/ -0.8	-64/ -2.2	-264/ -9.2	-527/ -18.3	-404/ -14

Note: + denotes surplus – denotes shortfall

24. This shows that overall there is significant capacity within Southwark schools to meet the forecast demand for year 7 places until 2016 and a dramatic increase in demand from thereon. It should be noted that for September 2014 and 2015 the data shows an overall surplus of places, although this is rapidly reversed by September 2018. However this borough wide picture masks local variations in the demand for and supply of local places.

Availability of places, performance and preference

25. Southwark is the most improved London borough at secondary level. In 2013 65.2% of pupils gained 5 or more good GCSEs including English and maths, placing our schools above London and national levels of performance.

26. Although there is a sufficiency of places across the borough there is ongoing representation from some primary schools, parent groups and families in regard to accessibility of places in their preferred schools. A particular concern is the provision of accessible local secondary places in the south of the borough, where a lack of direct travel routes from home to school means that secondary schools that may be geographically close and have available places are difficult to reach. Examining demand and supply at this more local level indicates that the pressure for places is likely to be felt in the south of borough from 2016 onwards, flowing through to the rest of the borough from 2018 onwards.

27. Table 4 shows the proportion of pupils receiving a place at their preferred school over the last 5 years.

Table 4: Pupils receiving their preferred secondary place

	2009		2010		2011		2012		2013	
Total applications received	2472	100.0%	2459	100.0%	2521	100.0%	2436	100.0%	2500	100.0%
Number offered 1st preference	1355	54.8%	1345	54.7%	1322	52.4%	1362	55.9%	1468	58.7%
Number offered one of their first 3 preferences	2020	81.7%	2039	82.9%	1987	78.8%	2011	82.5%	2126	85.0%
Number offered one of their first 6 preferences	2267	91.7%	2250	91.5%	2232	88.5%	2213	90.8%	2327	93.0%
Number offered an alternative place manually (not offered a preference)	205	8.3%	207	8.4%	243	9.6%	215	8.8%	173	6.9%
Pupils without an offer	0	0.0%	0	0.0%	44	1.7%	0	0.0%	0	0.0%

28. Overall a higher proportion of families gained one of their preferences in 2013 compared to previous years. However the balance between demand and availability of places is not evenly spread across the borough.
29. Despite rapidly improved performance by schools across the borough there is a significant variation in schools' popularity with parents, with some schools being named as one of the first six preferences by over 1000 families, and others by less than 200 despite having similar capacities.
30. This imbalance manifests itself in over 80% of the unused capacity at Year 7 in academic year 2012/13 being as a result of under-subscription at only a few schools rather than evenly spread across all schools.
31. Not unsurprisingly secondary headteachers' views are mixed with strong feelings both for and against the provision of new places within the system. The temporary oversupply of places noted in table 3 above coupled with parental preference for some schools over others presents a significant risk to some schools' financial viability in the short term. The timing and scale of the provision of any new secondary places needs to be considered carefully in partnership with headteachers to mitigate the impact and ensure that other schools and their pupils are not adversely affected in the shorter term.

Meeting future secondary demand

32. In autumn 2012 all secondary schools were invited to take part in an architectural study to ascertain their capacity to expand. Four popular and oversubscribed schools took part in the study – St Michaels Catholic College, City of London Academy, Bacon's College and Kingsdale School.

33. All were identified as having capacity to expand with over 10FE of additional capacity possible at these schools with appropriate investment.
34. It is anticipated that other schools within the existing estate could have capacity for expansion. Given the demand forecast it is proposed to go back to all Southwark's secondary schools to ascertain their capacity for expansion.
35. Although it may be theoretically possible to meet all the longer term demand from within the existing estate it is unlikely that this approach would be the best way to do so. Meeting the rapid rise in demand in this way would naturally put pressure on existing sites and facilities, and potentially impact on current pupils and their learning.
36. The experience of the primary expansion programme has shown that expanding existing schools becomes more complex as tight sites that must continue to provide the highest standard of education for pupils come into scope. These schemes can become costly per place when compared to a new build school.
37. The establishment of a new secondary school in the borough to meet the place demand that is likely to be felt from 2016 in the south of the borough and from 2018 borough-wide needs to be given serious consideration. A free school proposal is emerging from a group of local parents who are exploring a parent promoted secondary free school in East Dulwich. Officers will keep members advised on the progress of this proposal.
38. One of the biggest challenges will be identifying a site for a new school. The original proposal for the Harris East Dulwich primary free school named the Dulwich hospital site. Although this school will now be located on the decommissioned police station site in East Dulwich officers have continued to work with NHS Property Services and the Greater London Authority to include the outline requirements for educational provision in their soft market testing brief for the site. Officers will continue to engage with the NHS on this scheme.
39. As a result of the challenges of accurately predicting secondary demand it will be essential to monitor actual demand year on year against forecasts in order to ensure that the scale and timing of any response is appropriate and meets demand without undermining local schools.
40. Academies are able to exceed their published admission numbers without consultation with the local authority. Consequently it will be important to engage with schools to achieve buy-in to the overall strategy and subsequently to the specific responses proposed in order that a level of co-ordination is achieved.
41. Officer engagement with the Department for Education and the Education Funding Agency in regard to resourcing future secondary challenges has begun and these ongoing discussions will inform the delivery and funding approaches to the provision of future places.

Statutory proposals

42. Any enlargement of the capacity of a non-academy school which results in an increase of 30 pupils and an increase of more than 25% or 200 pupils (whichever is the lesser) would require the publication of statutory proposals. In Southwark all non-Academy schools are voluntary aided and the necessary consultation

would be managed by these schools directly. Academies are not required to follow a statutory consultation process in regard to their expansion.

Financial implications of expansion programme

43. The costs associated with an expansion of the secondary estate in line with the demand identified in Table 3 will be significant and would be exacerbated further should sites need to be acquired for these purposes.
44. Liabilities to the Authority will depend on how any new places are to be delivered and the approach to delivery.
45. Currently all funding identified for new places in the education estate is being targeted on primary expansion in order to meet that present challenge. Funding will need to be identified over the next 2-3 years and beyond to enable the delivery of new places within the secondary estate.

Consultation

46. It is proposed that Cabinet is updated in July 2014 with new pupil place planning data, a refreshed appraisal of existing secondary schools potential to expand, a secondary site review, any proposals arising and the outcome of discussions with funding bodies in regard to the approach to delivery and the availability of funding.

Community impact statement

47. The impact on communities of the issues and recommendations within this report has been considered in line with Southwark's Approach to Equality. Generally the recommendations will have a positive impact on communities with increased provision of places in areas where they are needed enhancing community cohesion. The proposals are consistent with promoting the safeguarding and well being of all local children and young people by providing sufficient school places to meet forecast need.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

48. This report is providing an update to Cabinet on the school places strategy.

Pursuant to Part 3 B of the Constitution the Cabinet has responsibility to formulate the council's overall policy objectives and priorities.

Section 14 Education Act 1996 places a duty on local authorities to secure that there are sufficient primary and secondary school places in their area. Local authorities must ensure there are enough school places to meet needs as well as working to secure diversity of provision and increasing opportunities for parental choice. Local authorities are also bound by the duty to take into account parental preference in so far as to do so avoids unreasonable public expenditure.

Cabinet will note that the Education Act 2011 removed the legal power for local authorities to establish community schools to address the issue of increased demand for places. Local authorities may look to expand existing provision or to free schools and academies to meet demand.

Cabinet is reminded of the duty to have due regard to the public sector equality duty under s.149 Equality Act 2010.

Strategic Director of Finance and Corporate Services (FC13/091)

49. This report notes the forecast demand for primary and secondary places and outlines a strategy to create the additional capacity within Southwark's estate. The financial implications are outlined in the body of this report.
50. The strategic director of finance and corporate services notes that this strategy will require significant capital investment and that additional funding will need to be identified. A full financial appraisal of proposals will be undertaken and included in future reports to cabinet, starting with an update in July 2014.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Dora Dixon-Fyle, Cabinet Member for Children's Services	
Lead Officer	Kerry Crichlow, Director of Strategy and Commissioning Children's and Adults' Services	
Report Author	Andy Brown, Head of Regeneration – Capital Projects	
Version	Final	
Dated	7 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	7 March 2014	

Item No. 12.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Permanent enlargement of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth Primary Schools	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Dora Dixon-Fyle, Children's Services	

FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR CHILDREN'S SERVICES

As part of the Primary Strategy it is proposed to expand a number of primary schools. This is as a result of the projected increase in demand for reception places. The appropriate consultation has been carried out on the proposed permanent enlargement of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth primary schools. All the comments received during the first stage of the consultation were fully considered in the report in January 2014. Subsequently the public notices have been published and no further comments have been received. Permanently enlarging these primary schools will therefore provide additional primary school places to meet the forecast demand for places. I recommend this report to Cabinet.

RECOMMENDATIONS

1. That the cabinet notes the outcome of the final consultation on the proposed enlargements of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth primary schools.
2. That the cabinet agrees to the enlargement of Keyworth primary school from September 2014, Albion, Bessemer Grange, Crawford and Grange primary schools from September 2015 and Charles Dickens primary school from September 2016.

BACKGROUND INFORMATION

3. Further to the report dated 18 December 2013, the Cabinet Member for Children's Services agreed on 3 January 2014 to the publication of the statutory notices, having considered the outcome of the initial consultation on these proposed enlargements. The publication of notices is the final stage of the statutory consultation process.
4. Cabinet had agreed on 16 July 2013 in the report on the Primary Investment Strategy to open initial consultation on the statutory proposals to permanently enlarge Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth primary schools. These primary school enlargements are part of the current target of 21.5 forms of entry of new reception places by September 2016.

KEY ISSUES FOR CONSIDERATION

5. The statutory notices were displayed as required at the six primary schools' gates, published in the South London Press on 21 January and the Southwark News on 23 January, on the Council's website and copies were sent to local libraries for display. There was then a period of 4 weeks from 23 January to 20 February 2014 during which anyone could object to or comment on the proposal. No responses have been received to this consultation stage.
6. Before making a decision on the proposals, the relevant DfE non-statutory guidance advises that decision makers should consider four key, procedural issues:
 - **Is all the information required available to make a decision on these proposals?** All the information as specified in the relevant Secretary of State's guidance is contained in this report.
 - **Do the published notices comply with statutory requirements?** The statutory notices comply with the relevant regulations.
 - **Has the statutory consultation been carried out prior to the publication of the notice?** The statutory consultation was carried out in accordance with the relevant guidance. In addition to the statutory consultation, an initial consultation was carried out prior to the publication of the proposals which allowed respondents 6 weeks to reply and included drop in meetings at all the schools. Consultation documents were sent to all stakeholders likely to be affected by the proposals, including parents, staff, governors as well as all other stakeholders specified in the guidance. The initial consultation process was delivered in accordance with the guidance and enabled the views of all stakeholders, both for and against aspects of the proposals to be considered fully. All care was taken to ensure no one was omitted from the process. The analysis of the consultation enabled the cabinet member to understand the views of those affected by the proposals. The outcome of the initial consultation was considered by the Cabinet Member for Children's services in January 2014.
 - **Are the proposals related to other published proposals?** There are no related proposals.
7. In deciding on proposals, the decision maker must have regard to statutory guidance issued by the Secretary of State. The relevant DfE statutory guidance provides a non-exhaustive list of factors that decision makers must have regard to. The following factors are of particular relevance to these proposals:
 - **Effect on standards and school improvement.** All the schools will be supported to ensure that there is no impact on standards as a result of the provision of additional places by the enlargement of these schools.
 - **Need for the places.** The Primary Investment Strategy was agreed by Cabinet in July 2013 and updated by the Cabinet Member for Children's Services in January 2014. Projections, which take into account the increase in school rolls, the forecast additional population as a result of increased births, migration and the new population as a result of additional housing, forecast a continuing increase in demand for reception places.

These permanent enlargements are proposed in the light of the forecast shortfall in reception places, which is shown on Table 1.

Table 1: Shortfall in reception places by primary planning area

	September 2014	September 2015	September 2016
North West (Borough, Bankside and Walworth)	0 FE	0 FE	2 to 3.5 FE
North East (Bermondsey and Rotherhithe)	4 to 5.5 FE	6.5 to 8 FE	7.5 to 9FE
Central West (Camberwell)	0 to 0.5 FE	1.5 to 2.5 FE	2 to 3 FE
Central East (Peckham and Nunhead)	2 to 3.5 FE	3 to 4 FE	4.5 to 5.5 FE
South (Dulwich)	2.5 to 3 FE	1.5 to 2 FE	1.5 to 2 FE
Total	8.5 to 12.5 FE	12.5 to 16.5FE	17.5 to 23FE

- **Travel arrangements.** There is not likely to be any impact on local travel patterns as a result of these enlargements.
- **Diversity and equal opportunities.** The impact on communities of the issues and recommendations within this report has been considered in line with Southwark's Approach to Equality. The recommendations will have a positive impact on communities with increased provision of primary places in areas where they are needed enhancing community cohesion. The schools' admission criteria will remain the same as at present and therefore there will be no detrimental effect on community cohesion.
- **Views of interested parties.** The publication of the statutory notices is the final stage of the consultation process on the enlargement of these schools. The initial consultation was carried out with all the individual school parents/carers, staff and governors, including a drop-in parents' meeting at all of the schools. In addition there was consultation with head teachers and chairs of governors of Southwark's schools, Southwark councillors and Southwark, Lambeth and Lewisham MPs, the Southwark Diocesan Board and Commission, trade unions and neighbouring authorities. Views expressed during the consultation from the 200 respondents were taken into account and concerns addressed in the report to the cabinet member in January 2014.
- **Funding and land.** The enlargements will all take place on existing school sites. Funding is considered in the financial paragraphs below.
- **Special Educational Needs (SEN) provision.** There are no anticipated issues for SEN provision as a result of these expansions

Conclusion

8. In the light of this appraisal it is recommended that the permanent enlargement of all these schools is agreed.
9. The guidance requires that the local authority must make a decision on the proposals within 2 months of the end of the representation period i.e. in this case by 20 April 2014 or if not then the LA must forward the proposals to the schools adjudicator for decision.

Policy implications

10. The primary planning and investment strategies are fully aligned to local planning and policy frameworks including the Council Plan, and Children and Young People's Plan. These outline the council's continued commitment to supporting schools to be outstanding, with children and young people able to achieve their full potential, and parents able to exercise real choice in a high-performing local schools system.

Community Impact Statement

11. The proposals are consistent with promoting the safeguarding and well being of all local children and young people by providing sufficient primary school places to meet forecast need. Increasing pupil numbers will foster good relations because it provides for the expansion of existing provision that meets the needs of our diverse communities and promotes the fostering of good relations. The enlargements of schools would provide more choice for parents.

Financial implications of expansion programme

12. The July Cabinet report identified an overall available budget for the programme of £50.6m. The available funding is sufficient to fund all these proposed enlargements.
13. The July cabinet report delegated the authority to the Strategic Director of Children's and Adults' Services to allocate the budgets for individual school expansion programmes from within the existing available resources.
14. The expected budgets for the first wave of schools in this report can be met from existing identified resources. The allocation of the budget will be made at the gateway 2 award of the contract for the construction of the school expansions.
15. The schools will be responsible for the ongoing revenue implications arising from expansion.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

16. The decision the Cabinet is being asked to take is one that it is reserved to Cabinet under the Council's Constitution.
17. Section 14 Education Act 1996 places a duty on local authorities to ensure that there are sufficient primary and secondary schools in their area. Local authorities must ensure there are enough school places to meet needs as well as working to

secure diversity of provision. Local authorities are also bound by the duty to take into account parental preference in so far as to do so avoids unreasonable public expenditure.

18. The Education Act 2011 removed the legal power for local authorities to establish community schools to address the issue of increased demand for primary places. Local authorities may look to existing provision to expand or to free schools and academies to meet demand.
19. The legal requirements on local authorities in relation to school organisation are contained in the Education and Inspections Act 2006. The Act requires that local authorities must publish proposals where it proposes to make a “prescribed alteration” and the alteration is one that a local authority is capable of making. “Prescribed alterations” are set out in the School Organisation (Prescribed Alterations) Regulations 2007 (“the 2007 Regulations”) and the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 (“the 2013 Regulations”).
20. Statutory and non-statutory guidance has been issued by the Secretary of State in 2007 (“Expanding a Maintained Mainstream School by enlargement or adding a sixth form – A Guide for Local Authorities and Governing Bodies”, updated 2010), and new guidance to accompany the 2013 Regulations was published on 28 January 2014.
21. Cabinet should note that the 2013 Regulations came into effect on 28 January 2014, and revoked the 2007 Regulations from the same date. However, the 2007 Regulations remain in force in relation to proposals published prior to 28 January 2014. As such it is the 2007 Regulations that govern the proposals described in this report, and the Cabinet, as decision maker, must have regard to the 2007 guidance, as amended, when making its decision. The 2007 guidance for decision makers is summarised in the body of the report.
22. Cabinet is reminded of the duty to have due regard to the public sector equality duty under s.149 Equality Act 2010 in noting the recommendations in particular those identified in the Community Impact Statement.

Strategic Director of Finance and Corporate Services (FC13/098)

23. This report is requesting cabinet to approve the enlargement of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth primary schools, as reflected in recommendation 2, following the outcome of the final consultation exercise detailed in the report.
24. It is noted that the proposed enlargement can be contained within the overall available funding. Officers should ensure that budgets for the contracts are established and profiled on the council’s financial information system for effective monitoring and reporting.
25. It is also noted that the associated revenue costs arising from the enlargement will be funded by the schools.
26. Staffing and any other costs connected with this contract to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Primary Investment Strategy – Report to Cabinet July 2013	Council Offices 160 Tooley Street, London SE1 2QH	Merril Haeusler, 020 7525 3755
Link http://moderngov.southwark.gov.uk/documents/s39446/Report%20Primary%20Investment%20Strategy.pdf		
Primary Investment Strategy Update – report to Cabinet member for Children’s Services January 2014	Council Offices 160 Tooley Street, London SE1 2QH	Merril Haeusler, 020 7525 3755
Link http://moderngov.southwark.gov.uk/documents/s43106/Report.pdf		
Permanent enlargement of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth primary schools – considering the initial consultation and agreeing the publication of statutory notices- January 2014	Council Offices 160 Tooley Street, London SE1 2QH	Merril Haeusler, 020 7525 3755
Link http://moderngov.southwark.gov.uk/documents/s43491/Report.pdf		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Dora Dixon-Fyle, Cabinet Member for Children's Services	
Lead Officer	Romi Bowen, Strategic Director of Children's and Adults' Services	
Report Author	Martin Wilcox, Education Planning Officer	
Version	Final	
Dated	7 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	7 March 2014	

Item No. 13.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Joint Carers Strategy and Action Plan	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Catherine McDonald, Health, Adult Social Care and Equalities	

FOREWORD - COUNCILLOR CATHERINE MCDONALD, CABINET MEMBER FOR HEALTH, ADULT SOCIAL CARE AND EQUALITIES AND COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR CHILDREN’S SERVICES.

Southwark Council and the Clinical Commissioning Group both recognise and value the vitally important role that carers play in supporting members of their family, friends or neighbours in the borough. Their support enables people to live more independently in the community and contributes the equivalent of £471m in unpaid care into the local economy.

There are over 21,000 carers (2011 Census) in the borough, however only a small proportion actually receive the support that they need to carry out their caring role. For this reason we want to reach out to all carers in the borough, at all ages, so that they can access the support that they want and in the manner that they choose.

We are committed to offering carers personal budgets that offer them real choice about the services they receive and allows them to have a life outside of caring. We have listened to local carers and now better understand the impact that caring can have and as a response to this we have developed a series of local pledges which include:

- ensuring that carers are reached at an early stage
- ensuring carers have access to information and advice
- supporting carers to look after their own health and wellbeing,
- ensuring carers are able to access the support that they need in an emergency
- supporting young carers so that they can have the same life experiences as their peers
- ensuring carers are able to take a break from their caring role through the provision of short breaks

We will also work to align the policies of the council and the NHS to reflect the needs and aspirations of carers. Despite the ongoing financial challenges the Council and the CCG face due to wider government funding reductions we have secured additional investment in carers’ services to ensure we can deliver our pledges over the lifetime of this strategy.

After a wide ranging engagement programme we are delighted to confirm that carers and other interested parties have offered a strong endorsement of our plans. So we are confident that the pledges highlighted here offer carers in the borough the best response to the challenges they face every day and that this report will help to redefine

our relationship with carers as partners in care.

RECOMMENDATIONS

1. That the Cabinet approves the joint carers' strategy and the action plan that sets out the pledges of health and social care to support carers in Southwark from 2013 to 2016
2. That the Cabinet agrees the planned investment from the council and notes the allocation from Southwark Clinical Commissioning Group as detailed in [Table 2](#) (paragraph 47).

BACKGROUND INFORMATION

3. In August 2013 the lead member for health, social care and equalities approved the draft joint carers' strategy 2013 – 2016 and also agreed to an engagement programme to seek the views on the proposals included in the strategy.
4. The draft strategy was jointly drafted by Southwark Council and Southwark Clinical Commissioning Group, CCG, and set out how both organisations aim to work together with carers, over the next 3 years.
5. For the purposes of the strategy, carers are defined as people who support members of their family, friends or neighbours on an informal basis and without financial reward. There are a wide range of carers in the borough, from the parent looking after a disabled child, a young person caring for a sibling with a brain injury to an older person looking after a partner with dementia. The experiences and challenges that they face may be quite different, but they share many commonalities.
6. The strategy recognises that carers are key partners in the delivery of care and support to adults and children in the borough and, not only should they have the skills and resources to take control of their caring role but they should also be able to lead their own lives, following their own aspirations, outside of that role. In addition it was indicated that young carers, as far as possible, should be protected from the detrimental impact of caring and be able to share in the same life experiences as their peers.
7. Over the lifetime of the strategy there will be a clear and sustained transformation of the way in which carers' services are planned and delivered in recognition of the fact that carers will take more control of how their needs are met to help them to do what they do in supporting others. Carers know what they need and how best they can be supported.
8. The new relationship with carers, as partners in care, will mean they will take the central role in the shaping of service delivery and the market of support services. In times of severe financial pressure we need to ensure the money we spend is targeted in the right way, offering value for money and providing the best outcomes. The strategy sets out how we plan to ensure that the resources are allocated appropriately and effectively, with clear and transparent criteria and processes that enable this to happen.
9. Both locally and nationally health and social care services are coming under increasing pressure due to the rise in the ageing population, accompanied by

increasing numbers of people living with complex and long term conditions. Against this backdrop, we have developed a strategy that responds to the rise in the number of carers and the challenges that they face.

10. The national policy agenda also helped to shape this document with an increased focus on carers and increased responsibilities for the council and health services set out in the Care Bill, which sets out new rights for carers. The strategy and action plan anticipates these changes and ensures that both the council and the CCG can fulfil their responsibilities in the most effective way for carers locally, offering carers the same access to assessments and services as those that they care for.
11. The council has taken an all-age commissioning approach to developing the strategy and the action plan. Therefore the document sets out the direction of travel for young carers' support alongside support for adult carers. This will ensure that the approach considers all groups of carers and recognises that the transition from children's services to adults is a key period for young carers and the point at which many carers are lost to the system. There is also recognition that the transition from children's to adult's services is also a key issue for parents of disabled children and the strategy and action plan reflect these realities.
12. As signalled in the report agreed by the lead member, a period of engagement was carried out in order to ensure that the proposals strongly reflected the views carers in the borough and offered an appropriate response to their needs and wishes.
13. The engagement process ran from 23 September 2013 until the 20 December 2013. Now that the engagement process is complete and the responses of carers, health and social care professionals and the voluntary and community sector stakeholders have been analysed we are in a position to finalise the strategy document and publish the resultant action plan.

KEY ISSUES FOR CONSIDERATION

The proposals

14. Extensive research commissioned by the council and undertaken by Carers UK confirmed that the demand for care in Southwark is growing due to the growth in the ageing population and poor health in some local communities. There are some specific local issues that the strategy sets out to address such as the large number of carers who are not known to services, do not identify as carers or do not use the support that is commissioned. This is particularly true of black and minority ethnic carers and those of people with complex conditions. There is a significant proportion of carers in Southwark who are of working age, many of whom do not work due to their caring responsibilities, but who might return to the work place with the necessary support. There are also a large number of young carers, school age children who are taking on caring responsibilities for parents, siblings and relatives.

15. Our improved understanding of the population of carers in Southwark and their particular needs has allowed us to develop a clear set of proposals aimed at improving the experience and lives of carers in the borough. These proposals fall into the following areas:
- Identification and support
 - Health and wellbeing
 - Choice and control
 - Economic wellbeing
 - Young carers

The programme of engagement

16. The engagement programme on the draft joint carers' strategy ran from the 23 September to the 20 December 2013. The programme included a range of approaches including an online survey, freepost post cards for contributing comments, a series of focus groups with carers including condition specific carer groups and generic carer groups as well as a number of youth groups where young carers were represented. In addition we highlighted the strategy and proposals at a series of scheduled events such as the special educational needs and disabilities, SEND, engagement event, where carers and other stakeholders were likely to be represented. We also held a series of workshops and focus groups with professionals, social workers and occupational therapists. In addition the CCG engagement team utilised their networks such as the Patient Liaison Council and locality meetings with GP's in order to get a broad range of feedback on the joint strategy.
17. A consistent approach was used throughout, employing the use of templates covering the key proposals which best captured feedback according to the engagement method used. We captured the data from the focus groups, the online responses and the written responses. Following a detailed analysis of the responses we were able to develop clear priorities within each of the areas identified above.
18. The engagement programme covered the key groups affected by the strategy and action plan. These are adult carers of other adults, parent carers of disabled children or children with a long term conditions such as mental health problems and young carers, of either an adult or other children, ordinarily siblings.
19. The engagement programme was exceptionally useful as it provided a rich seam of information regarding the draft strategy and the proposals. Overall there was broad support for the intentions signaled within the document. Carers and professionals alike confirmed that the direction of travel mapped out was the appropriate one and that the response to highlighted needs of carers was correct.
20. In addition the engagement helped to identify areas where the programme of work required greater emphasis or definition. A clear example included the support available for parent carers and the need to ensure that parent carers are able to access an assessment of their need and through this to access carer personal budgets.

21. Overwhelmingly the need for respite was identified by carers and professionals alike. This included a more flexible approach to accessing respite and a wider variety of respite to be available. Short breaks was the most requested respite mentioned to allow for practical duties such as shopping, appointments etc, as well as having the opportunity to engage in social activities and to take a break from the caring role.
22. In addition it emerged that young carers felt that there was a lack of awareness of their role amongst professionals, particularly within the education system. This has helped to inform and shape the action plan and is reflected in the commitment to undertake a programme of awareness raising within the education system and youth services. In addition it helped to shape the commitment to develop a young carer champion that will sit within children's services and help to maintain the focus on the needs of young carers.
23. More broadly the issue of 'hidden carers' and the lack of awareness of services amongst the carer population were strongly reinforced by the engagement programme. By reaching out through community volunteers and community groups such as the Bengali community group on the Rockingham estate, we were able to develop a clear picture of some of the barriers faced by carers in terms of accessing support. The outreach programme highlighted in the action plan will draw on this information to ensure it is wide ranging, targeted and effective.

The action plan

24. The information and feedback has allowed the council and the CCG to develop a series of pledges which we will work in partnership to achieve as follows:
 - Developing an outreach programme
 - Ensuring carers have access to information and advice
 - Health and wellbeing programme, including support for carers to return to work, training and education
 - Emergency response services
 - Young carers programme
 - Short breaks provision
 - Policy development
25. These are a series of high-level commitments that respond to the proposals within the original document and shaped and refined by the engagement programme. These pledges and the summary of the actions accompanying them can be found at appendix 1.
26. In order to deliver the pledges we have also developed a detailed action plan which has been fully costed and the proposed investment from the council and the CCG identified. Details of the planned investment have been summarised in Table 2.
27. The detailed action plan is attached at appendix 2. As a 3 year plan there will be regular and ongoing monitoring of the implementation of the plan and on-going review of finance available through the Carers Project Board which brings together officers from the council and the CCG as well as key stakeholders such as carers and members of the voluntary and community sector. We will provide

regular updates on progress in delivering the plan.

Commissioning intentions

28. The action plan also sets out the backdrop against which we will commission services to support carers over the next 3 years. The current investment from the council is committed to the carers hub, currently delivered by Southwark Carers, and other commissioned carers support services such as Action for Children as well as carer budgets, currently administered by the hub. Going forward there is an expectation that the voluntary and community sector will play a key role in the delivery of the priorities set out in the action plan. The exact structure of those delivery mechanisms has yet to be fully determined but will be based on clear and robust outcome measures, developed against the priorities.
29. The range of services currently funded aimed at supporting carers and enabling them to take a break is detailed in table 1.

Table 1. Funding for 2013/14 for commissioned carer support services

Organisation	Services	Funding 2013/14
Southwark Carers	Hub	£447,536
	Carers personal budgets	£194,748
Bede House	Carer Information Sessions	£7,286
Action for Children	Young Carers Support Project	£93,998
KIDS	Sibling Support Group	£25,187

30. The action plan clearly highlights a series of priority areas for the council and the expectation is that we will commission services to support the delivery of the priorities within the plan.

Policy implications

31. The joint carers' strategy and action plan should also be seen in the context of the Council Plan which sets out the 10 fairer future promises that demonstrate how the council will achieve the vision in the plan. Point 6 states that the council will: 'support vulnerable people to live independent, safe and healthy lives by giving them more choice and control over their care.' This strategy has at its core the intention of enabling carers to have much greater choice about the services that they access and to choose a life beyond their caring role.
32. In addition to this the strategy and action plan will also deliver against the priorities in the health and wellbeing strategy.
33. The carers' strategy and action plan also responds to the 3 high level priorities within the children's and young people plan 2013 – 2016.
34. The context is also informed by the refreshed National Carers' Strategy (2010). It provides a framework for developing support for carers over the ten years from 2008 to 2018 with a vision that carers will be universally recognised and valued as being fundamental to strong families and communities.

35. Significant changes in the legislative framework within which carers' services are offered are expected with the Care Bill. The Care Bill places overall wellbeing at the forefront of an individual's care and support. The draft care bill also sets out a number of responsibilities for local authorities, including:
- Providing carers with an assessment of their own support needs, applying consistent, national eligibility criteria (yet to be developed)
 - Providing comprehensive information and support about local services so that carers know what's available both to them and to those for whom they care
 - Ensuring that carers receive a personal budget which sets out what it will cost to meet their needs and where they are eligible to receive publicly-funded support
36. The Children and Families Act is expected to be passed in April 2014, with all of its provisions coming into effect by September 2014. Headline changes in relation to the delivery of local authority provision include:
- a. The replacement of statements with an integrated education, health and care (EHC) plan and the introduction of a single assessment process
 - b. A right to a personal budget.
 - c. Duty to commission jointly with health.
 - d. Duty to publish a 'local offer' of assessment processes and provision available under an EHC plan, including specialist information, advice and guidance for families of disabled children.
 - e. The requirement to involve children, young people and parents in the planning of these changes.
37. The strategy and plan have highlighted our commitment to supporting parent carers of children with long term conditions and as such supports the council and CCG response to the new act.

Community impact statement

Age

38. The strategy and action plan applies to carers of all ages including those under the age of 18. The majority of carers in the borough are aged 35-64 and it is this group that the strategy will impact on most significantly. For this reason there is a specific strand of work regarding working age carers and the support they receive.
39. The last census shows that there were 20,617 unpaid carers in Southwark as of March 2011 of which 2,310 were younger carers under 24. The strand of work relating to young carers and the transition to adults services will address the issues for this age group.
40. There is also a recognition that the transition from children's to adult services can impact negatively on young carers and parent carers of young people and the strategy specifically addresses these issues.

Disability

41. There is little data collected on the disability rates amongst carers however it is recognised that caring can have a detrimental impact on the mental health of carers and can lead to higher rates of depression, a recognised condition within the Disability Discrimination Act. There is a strand of work aimed at improving the health and wellbeing of carers in this strategy which should address issues relating to health and disability. We will ensure that future commissioning requires providers to record information relating to the disabilities experienced by carers in order to shape our service provision.

Faith and religion

42. There are few statistics recorded of faith, religion and carers. By focusing on supporting people to reconnect with their communities and carrying out work to reach carers through community groups such as faith-based groups, the expectation is to achieve greater inclusivity for carers of all faiths. We will also require providers commissioned to support carers to capture such information.

Gender

43. Evidence from the 2011 census indicates that among younger carers under 24 in Southwark, there are more females than males (53.5%), the difference is more pronounced for older age groups and 57.7% of all unpaid carers in Southwark are female. This is slightly more unequal than the London average but less than the England average. The action plan is intended to support inclusion for all groups and enable access to services and greater support.

Race and ethnicity

44. Evidence from the census indicates that 4 in 10 carers in Southwark are from a black or minority ethnic, BAME, group. Furthermore the Carers UK project highlighted that BAME carers experience particular barriers to accessing services. These include cultural differences, which make some BAME carers even less likely than the general carer population to identify as carers and/or recognise support is available, as some BAME carers are less likely to access information, advice and support that is not provided through community or religious settings and for some BAME carers, English is a second language.
45. The proposals within the draft strategy include outreach work to identify and support carers from BAME communities through a variety of methods with the aim of increasing uptake of service provision and improved carer identification.

Sexual orientation

46. Figures are not held on the number of carers in Southwark who identify as lesbian, gay, bi- or transsexual or transgender. During the engagement views were sought from the LGBT community on the proposals which have helped to shape the action plan. The high level commitment to reaching out to carers across the community recognises that there is work to be done to engage carers from these groups. Future commissioning and monitoring activity will address our limited data on the LGBT community and require providers to collect the appropriate information.

Financial implications

47. Table 2 indicates the anticipated planned investment in the delivery of the action plan over the lifetime of the strategy 2013-16.

Table 2. Funding for carers support over the lifetime of the strategy 2013-16

Priority area	Year 2013/14 (£000s)		Year 2014/15 (£000s)		Year 2015/16 (£000s)	
	LBS	CCG	LBS	CCG	LBS	Better Care Fund
Developing an outreach programme	70	140	70	140	70	140
Short breaks provision	195		195		195	
Ensuring carers have access to information and advice	200		200		200	100
Emergency response services	Within existing resources		Within existing resources		Within existing resources	
Health and wellbeing	180	210	180	210	180	210
Young carers	119		119		119	
Policy development and alignment			150		150	
Total	764	350	914	350	914	450

48. The proposed overall funding for the carers strategy is met by council resources, CCG and, from 2015-16, the integrated Better Care Fund. There is a planned additional investment of £250k by 2015/16 (£150k from within existing adults services budgets and £100k from the Better Care Fund). The 2015/16 proposed investment will be subject to the council's budget setting processes and any future revisions in the Better Care Fund schemes.
49. The Better Care Fund brings together existing health and social care funding together into a pooled budget that is focused on person-centred support in community settings, delivered in a joint way between local authorities and the NHS. The joint nature of the strategy, developed between the council and the CCG offers an opportunity to develop a pooled budget approach to the delivery of the strategy and to support the integration of health and social care, a key issue identified by carers, within the engagement programme.

50. A further key priority is the development of carer budgets which allow carers to purchase services and interventions that meet their particular needs including short breaks, which was the main concern for carers and professionals alike during the engagement programme.
51. There is some financial risk attached to the investment in this plan, in particular, associated with the development of the carer budgets given the number of 'hidden' carers that we have yet to reach and the intention to reach out to them. Therefore, an ongoing review of finance available is required and monitoring of the expenditure and impact across all priorities and over the lifetime of the strategy.

Consultation

52. As indicated in paragraphs 16 to 23 there has been a significant programme of engagement in which the council and the CCG sought the views of the key stakeholders including carers, professionals, voluntary and community sector providers and the wider community.
53. There is a commitment to ensuring that those who participated in the programme of engagement receive clear information about how their input helped to shape the action plan and we will work with our communications team to communicate the outcome of the engagement and the actions that have been agreed.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

54. Advice has been sought from the head of procurement and there are no legal implications as a consequence of this report

Director of Legal Services

55. This report seeking the approval of the Cabinet to approve the Joint Carers Strategy and the action plan.
56. Pursuant to Part 3 B of the Constitution the Cabinet has responsibility to formulate the council's overall policy objectives and priorities.

Strategic Director of Finance and Corporate Services (FC13/093)

57. This report seeks cabinet approval to the joint carers' strategy and the action plan. The financial implications are contained in the body of this report.
58. The strategic director of finance and corporate services notes that funding is available up to and including 2014/15. The proposed funding for 2015/16 will need to be identified during the council's budget setting process to ensure this strategy can be fully implemented.
59. It is noted that the potential risk of an increased number of carers accessing services and support will lead to an increase in cost. This must be closely monitored to ensure the strategy can be delivered within available resources.

60. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Draft Joint Carers Strategy 2013 - 2016	Childrens and adults commissioning	Mark Taylor 020 7525 4395
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4556&Ver=4		

APPENDICES

No.	Title
Appendix 1	Southwark council and NHS Southwark CCG joint carers strategy 2013 – 2016 - pledges
Appendix 2	Southwark council and NHS Southwark CCG joint carers strategy 2013 – 2016 – action plan

AUDIT TRAIL

Cabinet Member	Councillor Catherine McDonald, Health, Adult Social Care and Equalities	
Lead Officer	Kerry Crichlow, Director of Strategy and Commissioning	
Report Author	Mark Taylor, Commissioning Manager, Prevention and Inclusion	
Version	Final	
Dated	7 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		7 March 2014

Southwark Council and NHS Southwark CCG Joint Carers Strategy 2013 – 2016 - Pledges

Set out below are the pledges that Southwark council and NHS Southwark CCG will be undertaking along with key strategic partners, such as the voluntary and community sector, to support carers in the borough and ensure that they have a life outside of their caring role. These pledges have been developed in response to the engagement programme completed following the publication of the draft carers strategy in July 2013. Over the next 3 years we will ensure that these pledges are delivered and that the outcomes achieved are monitored and any improvements required put in place. There is a more detailed version of this plan which can be viewed here:

Priority area	How carers will benefit	Timescales	Lead agencies
<p>Developing an outreach programme</p> <p>To ensure that carers are reached at an early stage so they know about the services and support available and are able to make choices about what help they receive</p>	<ul style="list-style-type: none"> We will work with key health and social care professionals and the voluntary and community sector so that all carers including young carers are aware of the services that are available and are able to access support through a range of methods and approaches. We will ensure that carers are able to access the support they need through GP's and hospitals. This will include developing a carer register by GP's and the recruitment of carers health development workers. We will ensure that there is much greater awareness of the role and needs of young carers amongst health, social care and education professionals 	<p>April 2015</p>	<p>LBS / SCCG</p>
<p>Ensuring carers have access to information and advice</p> <p>To provide carers with the necessary information and advice so that they are fully informed about the caring role and their rights as a carer</p>	<ul style="list-style-type: none"> We will improve access to information for carers about services, the conditions they manage and their rights, developing a range of approaches and methods to ensure they have the information they need. This will include training and education and online information We will ensure that there is much greater awareness of the role and needs of carers including young carers amongst health, social care and education professionals We will ensure that carers are able to exercise greater choice and control about the services that they receive by improving access to mainstream services, ensuring a robust and quality assured assessment, support plan and review process, developing and implementing a policy on carer budgets, personal budgets (both health and social care) and enabling access to training, education and work opportunities 	<p>April 2015</p>	<p>LBS / SCCG</p>

<p>Health and wellbeing programme</p> <p>To support carers to look after their own health and wellbeing</p>	<ul style="list-style-type: none"> We aim to improve access to services that can support the mental and physical health of carers such as access to counselling, health checks at GP surgeries and access to mainstream services We want to enable carers to have a life outside of the caring role, whether that is to participate in leisure activities, or to return to training, education or the workplace We want carers to have access to services that offer them support and peace of mind such as telecare 	<p>April 2015</p>	<p>LBS / SCCG</p>
<p>Emergency response services</p> <p>To ensure that carers are able to access the support that they need in an emergency</p>	<ul style="list-style-type: none"> We will ensure that carers know where they can get support when there is an emergency We will ensure that services understand the role of carers and can respond to their needs in an emergency 	<p>April 2015</p>	<p>LBS / SCCG</p>
<p>Young carers programme</p> <p>To support young carers so that they can have the same life experiences as their peers</p>	<ul style="list-style-type: none"> We will work closely with young carers to design support services that reflect their needs and reach out to young carers across the borough 	<p>April 2015</p>	<p>LBS / SCCG</p>
<p>Short breaks provision</p> <p>To ensure carers are able to take a break from their caring role through the provision of short breaks</p>	<ul style="list-style-type: none"> We will ensure that carers have access to flexible approaches to short and longer breaks that allow them to have a life outside of their caring role 	<p>April 2015</p>	<p>LBS / SCCG</p>
<p>Policy development and alignment</p> <p>To work to align the policies of the council and the NHS to reflect the needs and aspirations of carers</p>	<ul style="list-style-type: none"> We will ensure that our services and policies are designed and evaluated by carers so that their needs and aspirations are met as far as possible We will ensure that health and social care services are joined up and ensure that the role of the carer is fully recognised and that the transition from childhood to adulthood is fully supported 	<p>April 2016</p>	<p>LBS / SCCG</p>

Southwark Council and NHS Southwark CCG Joint Carers Strategy 2013 – 2016 - action plan

Ref	Priority area	How carers will benefit	Timescales	Lead agencies	Funding		Theme from strategy
					LBS	SCCG	
	Developing an outreach programme (£210,000)						
COP1	Develop a programme to identify hidden and hard to reach carers	More carers are able to access support and advice	April 2015	LBS C&A Commissioning, CCG	£50,000		Connecting with carers
COP1	Carer Health Development Workers will be recruited to support the identification of carers in primary and secondary health settings.	More carers are able to access support through their GP and hospitals	April 2014	LBS C&A Commissioning, VCS		£140,000	Connecting with carers
COP3	Support GP's to develop a register of carers	More carers are able to access support through their GP and hospitals	April 2015	CCG			Connecting with carers
COP4	Develop a consistent, comprehensive approach to connecting with young carers early on and referring young carers in all schools and young people's services in Southwark promptly.	More young carers will be identified and able to access the support they need	April 2015	LBS C&A Commissioning, VCS	£20,000		Young carers

Ref	Priority area	How carers will benefit	Timescales	Lead agencies	Funding		Theme from strategy
					LBS	SCCG	
	Short breaks provision (£195,000)						
CSB1	Offer more flexibility for carers to take both short and longer-term breaks, supported by the right respite care. This would include through one-off direct payments	Carers are able to take a break from their caring role	April 2015	LBS C&A Commissioning, children's services, VCS	£195,000		Choice and control

Ref	Priority area	How carers will benefit	Timescales	Lead agencies	Funding		Theme from strategy
					LBS	SCCG	
	Ensuring carers have access to Information and advice (£200,000)						
CIA1	Create an online support pack and alert for GPs so that they can signpost carers to relevant services	More carers are able to access appropriate advice around their caring role	Established by April 2015	CCG	X	X	Health and wellbeing
CIA2	Review the carers education available for carers of people with learning disabilities and autism spectrum disorder	Carers feel more informed and able to manage complex conditions	Summer 2015	LBS	x	X	Health and wellbeing
CIA3	Promote awareness of personal budgets amongst those receiving continuing health care, including people with dementia and their carers	Carers report that they have increased choice and control	Autumn 2015 and ongoing	LBS C&A Commissioning, CCG	X	X	Health and wellbeing
CIA4	Improve and promote access for carers to a range of mainstream services	Carers report that they have increased choice and control	August 2014	LBS C&A Commissioning, CCG	£100,000	X	Choice and control
CIA5	Improve access for carers to carers assessments, ensuring a robust and quality assured assessment and review process	Carers report that they have increased choice and control and health and wellbeing	April 2014	LBS C&A Commissioning CCG	x	x	Choice and control Health and wellbeing
CIA6	Create an online information hub for working age carers.	More carers are able to access appropriate advice around their caring role	Autumn 2014	LBS C&A Commissioning, VCS	£10,000	x	Health and wellbeing, choice and control
CIA7	Support the development of the Employers for Carers forum, providing advice and information for local employers	Carers are aware of their rights as employees	April 2015	LBS C&A Commissioning, VCS	x		Economic wellbeing
CIA8	Encourage carers to identify themselves to their employers	Carers feel better supported within their work environment	Summer 2015	LBS C&A Commissioning, CCG, SLAM, GSST	x		Economic wellbeing

APPENDIX 2

CIA9	Work with colleges to enable carers to participate in education and training	More carers develop skills to enable access to employment	April 2015	LBS C&A Commissioning	x	Economic wellbeing	
CIA10	Develop a programme of awareness raising about the role of young carers focused on teaching staff and other education professionals and other key professionals	More young carers will be identified and able to access the support they need	Summer 2014	LBS C&A Commissioning, VCS	£25,000	Young carers	
CIA11	Develop a peer support approach for carers that builds on the expertise of carers had shares their knowledge	Carers feel more supported	Ongoing	LBS C&A Commissioning, VCS	£65,000	Health and wellbeing	
CIA12	Ensure all carers are involved throughout the transition process for the person they care for between children's and adults' services.	Carers experience a seamless transition from children's to adults social care and health services	April 2015	LBS C&A Commissioning, CCG	x	Health and wellbeing	
Ref	Priority area	How carers will benefit	Timescales	Lead agencies	Funding		Theme from strategy
					LBS	SCCG	
CER1	Review emergency response services, such as Enhanced Rapid Response and Southwark Night Owls, to ensure that they understand and respond to the needs of carers.	Carers feel better supported in a crisis	September 2014 and ongoing	LBS C&A Commissioning, adult social care		Health and wellbeing	
CER2	Ensure carers know where they can get support in a crisis that includes contact points for professionals	Carers feel better supported in a crisis	June 2014 and ongoing	LBS C&A Commissioning, children's services, VCS		Health and wellbeing	

Ref	Priority area	How carers will benefit	Timescales	Lead agencies	Funding		Theme from strategy
					LBS	SCCG	
	Health and wellbeing programme (£390,000)						
CHW1	Fast-track carers to Improving Access to Psychological Therapies (IAPT) services, as well as other forms of counselling	Carers report improved health and wellbeing	Summer 2014	CCG		£50,000	Health and wellbeing
CHW2	Offer carers health checks at their GP surgery.	Carers report improved health and wellbeing	Ongoing	CCG		£50,000	Health and wellbeing
CHW3	Evaluate the effectiveness of the local wellogram programme for carers	Carers report improved health and wellbeing	Ongoing	LBS C&A Commissioning, VCS	X	X	Health and wellbeing
CHW4	Expand the provision of free telecare locally for vulnerable groups through the free offer ensuring peace of mind for carers	Carers report improved health and wellbeing	Autumn 2015	LBS C&A Commissioning	X	X	Health and wellbeing
CHW5	Promote the activities which support carers to stay in or return to work, education or training throughout the borough	More carers are able to take up work or remain in the workplace	January 2015	LBS C&A Commissioning, CCG, VCS	£130,000	£60,000	Economic wellbeing
CHW6	Support the development of paid and/or voluntary roles for carers in the borough which build on their existing skills	More carers are able to take up work or remain in the workplace	April 2015	LBS C&A Commissioning, CCG, VCS	£50,000	£50,000	Economic wellbeing
	Young carers programme (£119,000)						
	Priority area	How carers will benefit	Timescales	Lead agencies	Funding		Theme from strategy
	Young carers programme (£119,000)						
CYP1	Work with young carers to design and commission a new young carer's service/s which reflects the broad range of their needs across the borough	Young carers will feel better supported and more willing to use the support services commissioned	Summer 2014	LBS C&A Commissioning, children's services, VCS	£119,000	SCCG	Young carers

Ref	Priority area	How carers will benefit	Timescales	Lead agencies	Funding		Theme from strategy
					LBS	SCCG	
	Policy development and alignment (£150,000)						
CPA1	Agree with local carers and other partners how to develop, commission and evaluate local services together	Services will better reflect the needs and wishes of local carers	April 2015	LBS C&A Commissioning, CCG, VCS			Connecting with carers
CPA2	Develop integrated health and social care services locally	Carers feel better supported by health and social care services	April 2015	LBS C&A Commissioning, CCG			Connecting with carers, health and wellbeing
CPA3	Developing and implementing a policy on carer budgets	Carers report that they have increased choice and control	April 2015	LBS C&A Commissioning, CCG	£150,000		Choice and control
CPA4	All carers are involved throughout the transition process for the person they care for between children's and adults' services	Carers experience a seamless transition from children's to adults social care and health services	April 2015	LBS C&A Commissioning, CCG, VCS			Health and wellbeing
CPA5	Work with young carers to design and commission a new young carer's service/s which reflects the broad range of their needs	More young carers will be identified and able to access the support they need	April 2015	LBS C&A Commissioning, CCG, VCS			Young carers
CPA6	Ensure that the principles set out in our Children & Young People's Plan are shaping the support for young carers.	Young carers are able to have the same life experiences as their peers	April 2015	LBS C&A Commissioning, CCG, VCS			Young carers
CPA7	Develop carers champions in children's and adults services who will act as the carers advocate within the council	Services will better reflect the needs and wishes of local carers	April 2015	LBS C&A Commissioning, CCG, VCS			
CPA8	Review transition of young carers to adult's services	Young carers will be supported through transition to adulthood	April 2015	LBS C&A Commissioning			Young carers
CPA9	Explore the use of the Innovation Fund to	Carers report that they have	April 2015	LBS C&A			Choice and

APPENDIX 2

	stimulate the market	increased choice and control	Commissioning, CCG	control, health and wellbeing
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Item No. 14.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Better Care Fund – Draft Plan for Southwark	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Catherine McDonald, Health, Adult Social Care and Equalities	

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

Our vision for integration in Southwark is for services to help people stay living healthily and independently in their own homes, and connected to their communities, for as long as possible - avoiding or delaying the need for emergency admissions or residential care, in line with what people say they want. We want to design and provide our services in a joined up way, to provide the best support to residents. Not only will this improve the experience people have of services, it should also increase the effectiveness of services at helping people to live in their homes with a good quality of life. Crucially, in the face of growing demand and huge resource constraints in health and care services, this will help reduce the need for costly hospital care and intensive social care and therefore help make the overall system financially sustainable.

Valuable progress has been made in integrating services over the years, including recent work done through, Southwark and Lambeth Integrated Care, which brings together key health and social care services across the sector to work on issues such as admissions avoidance. The pooling of budgets is one mechanism for helping ensure services operate in a much more integrated way, as silo working, duplication and cost shunting is reduced and resources and savings can be targeted better at where they can be most effectively invested. The Better Care Fund gives us a great opportunity to make progress on these aims as it gives us a sound framework for pooling budgets for the benefit of residents.

RECOMMENDATIONS

1. Cabinet note the draft vision for the integration of health and care related services “Better Care, Better Quality of Life in Southwark” (Appendix 1).
2. Cabinet note the summary of the draft Better Care Fund plan submitted by the Council, the Clinical Commissioning Group (CCG) and the Health and Wellbeing Board (HWB) setting out the approach to pooled budgets in 2015/16 (Appendix 2).
3. Cabinet agree to the proposed process for agreement of the final Better Care Fund plan to be submitted in April as set out in paragraph 23.
4. Cabinet note the proposed governance arrangements for the Better Care Fund set out in paragraph 24.

BACKGROUND INFORMATION

5. The Better Care Fund is a national policy initiative that requires local areas to agree plans for the integration and transformation of health and care related services. Under these arrangements Southwark Council and the CCG need to agree plans for a pooled budget to a minimum value of £22m in 2015/16, covering a range of health and care related services that effectively support people at risk in the community, reduce hospital and care home admissions and help people to be discharged smoothly and safely from hospital. (This is not new money, as it consolidates a range of committed resources into one pooled budget). In 2014/15 plans need to be agreed about the investment of a new NHS funding transfer of £1.3m to make early progress and prepare for the 2015/16 arrangements. The plans must be agreed by the Health and Wellbeing Board.
6. A draft Better Care Fund plan submission based on consultation with the Health and Wellbeing Board and other stakeholders was submitted on 14 February 2014, signed by the Council, the CCG and the Chair of the Health and Wellbeing Board. This is summarised in Appendix 2. A final plan will be submitted on 4 April, taking into account any comments received, including any changes arising from the national assurance process that is in place to confirm that plans meet national conditions. Initial feedback from the national assurance process has been very positive.
7. The Better Care Fund is seen as potentially leading to transformational change in council and health services and it is therefore important that cabinet is aware of the proposals at an early stage.
8. In order to give the Southwark Better Care Fund plan a strong foundation it was considered important to place it within an overall strategic framework. Local partners agreed to develop a draft vision for integration “Better Care, Better Quality of Life in Southwark” for this purpose (Appendix 1).
9. The draft vision and the draft Better Care Fund builds upon significant progress that has been made in Southwark on integration, including through the work of Southwark and Lambeth Integrated Care (SLIC). SLIC will continue to act as enabler of the changes set out in our plan.
10. The draft vision emphasises that the broader integration agenda is not just about health and social care, it includes all agencies involved in supporting people and promoting the wellbeing of the population. In particular the link with supported housing services is relevant and we wish to look at how these services can link into multi-disciplinary team working based around individuals.
11. Voluntary sector services contribution to the preventative agenda is also a key link. Some of these schemes are incorporated into the Better Care Fund, for example those tackling isolation.
12. The Better Care Fund is to be seen in the overall context of severe financial constraints across the local authority and NHS anticipated in 2015/16. It is essential that the Better Care Fund helps achieve the objective of financial

sustainability by reducing demand for acute NHS care and intensive social care.

KEY ISSUES FOR CONSIDERATION

13. The summary in Appendix 2 sets out the key features of the draft Southwark Better Care Fund submission. This is intended to help deliver the vision for integration set out in Appendix 1, which sets out the overall goals for the population and indicates how services in Southwark will be different for service users.
14. 2014/15 is a preparatory year for the Better Care Fund in which Southwark Council has been allocated £1.3m (subject to agreement of the plan) in the form of a transfer from the NHS to make early progress and prepare for the delivery of full pooled budgets in 2015/16. It has been agreed that the bulk of this new transfer (£1.048m) should be used to fund existing discharge support and admissions avoidance services that were previously funded by Winter Pressures NHS funding which ceased in 13/14. These services are considered effective investments and the Better Care Fund provides an opportunity to mainstream their funding. This new transfer is being considered alongside the existing NHS funding transfers and grants totalling £7.6m (£7.9m in 14/15) for supporting social care of benefit to health. During 2014/15 the full portfolio of services will be reviewed to ensure it represents value for money and is effectively integrated to help deliver the local vision. The remainder of the allocation is being invested in service development capacity (£100k), including developing the integrated neighbourhood team model (to include looking at scope to redesign some housing services as part of this model); self management programmes for people with long term conditions (£107k) and psychiatric liaison services to assist people with mental health problems (£54k).
15. 2015/16 sees existing resources totalling £22m being merged into a pooled budget which the Council and CCG will jointly manage. These resources mostly come from existing health budgets. The services to be funded locally from it are set out in the summary in Appendix 2. During 2014/15 the precise plans for these services will be developed in greater detail, with the aim of maximising the extent to which the various services work together as one coherent whole to achieve the goals of integration. A number of the schemes protect social services of benefit to health, shielding local services in the face of central funding reductions. Other schemes have a preventative angle, including funding for voluntary sector services for isolated older people, and telecare equipment that helps people live at home safely. Other schemes fund NHS services, in particular those around admissions avoidance, hospital at home services and mental health services. Resources are provided to develop 7 day working, which is a key national condition. All the services are intended to reduce and delay the need for more intensive health and social care support in older people and people with long term conditions, and for the fund to be sustainable it is essential that they effectively reduce demand on the acute sector to release funds for community investment. As this is a crucial change for hospitals plans have been discussed with local acute trusts and the final submission will be based on an agreed view of what that impact is going to be.

16. All schemes were discussed at a Health and Wellbeing workshop which focussed on the extent to which proposals would effectively deliver on national performance requirements and local priorities.
17. The government have also indicated that certain costs associated with implementing the forthcoming Care Bill, which will place additional duties on local authorities for 2015/16, will need to be funded from the BCF resources, which translates to approximately £1m for Southwark which has been set aside for this purpose. In addition from 2015/16 the Council's Disabled Facilities Grant (£0.641m), which benefits people with disabilities in private housing, will be paid into the Better Care Fund. This sum will be required to meet entitlements of individuals to grants, but there are opportunities for taking an integrated approach to this service alongside other services that support people with disabilities to live at home.
18. **Performance related payment:** The government is subjecting the Better Care Fund to a performance related payment scheme and 26% of the NHS monies within the scheme may be withheld (around £5m locally) if performance on 6 measures is not in line with targets agreed in the planning process. The targets relate to:
- Reducing care home admissions in line with Council Plan target
 - Improving effectiveness of re-ablement at keeping people at home after discharge
 - Minimising delayed transfers of care from hospital
 - Reducing avoidable admissions to hospital
 - Improving user experience of integrated services
 - People feeling supported to manage their long term conditions
19. It is anticipated that non-achievement of targets would lead to a process of peer review and agreement of recovery plans, with some loss of discretion over local arrangements. It is considered unlikely that the funding would be lost to the health and system in 2015/16.
20. **National conditions:** the Better Care Fund plan must also meet national conditions as follows:
- Plans jointly agreed by Health and Wellbeing Boards, Councils and CCGs
 - Social care services of benefit to health are protected
 - 7 day working across health and social care is funded to facilitate hospital discharge and prevent unnecessary admissions at weekends
 - Better information sharing between agencies underpins integration plans
 - Joint approach to assessments and care planning and single 'accountable professional' co-ordinating care of individuals with integrated care packages
 - There is agreement on the impact of plans on the acute sector
21. **Pooling greater amounts than the minimum:** the guidance encourages local areas to go beyond the minimum pooled budget requirement by incorporating additional health and council budgets into the Better Care Fund. This option will be kept under review as the success of the approach at a national and local level is evaluated but there are no immediate local plans to exceed the minimum level.

22. **Link to public health funding:** it should be emphasised that the council's funding allocation for the delivery of public health responsibilities is separate and distinct from the Better Care Fund. The Better Care Fund is necessarily focused on services for older people and people with long term conditions, particularly those at risk of hospitalisation and in receipt of both health and social care (although there are schemes within it that have a wider preventative value such as the voluntary sector funding). Public health funding is focussed on services such as sexual health, substance misuse, smoking cessation and health checks. However the Southwark vision for integration has a clear public health and wellbeing focus, and the option of moving some public health budgets into the Better Care Fund is one that could be considered in future if the case can be made that delivery could be improved by integrating these with other services.
23. **Next steps:** the Health and Wellbeing Board will receive a report on the Better Care Fund submission on 24 March 2014, following which the final submission will be prepared for 4 April, taking into account all comments received from Cabinet, the HWB and other stakeholders. The Health and Wellbeing Board will be asked to recommend the final sign off of the submission by the Leader of the Council, after consultation with the Strategic Director of Children's and Adults Services and the Chief Officer of the CCG. Cabinet is asked to agree to these arrangements for approving the final submission.
24. **Governance arrangements:** The Health and Wellbeing Board will be responsible for agreeing the Better Care Fund plan and overseeing its successful delivery. The terms of reference of the Board and appropriate underlying support and governance structures will be reviewed to ensure they are fit for this purpose. Although jointly responsible for delivering on the objectives of the fund through the Health and Wellbeing Board individual organisations will remain formally accountable for their own expenditure and services pooled within it through their existing governance arrangements. Roles, responsibilities and risk share arrangements will be clearly set out in the Section 75 agreement(s) under which the pooled funding will be managed.
25. **Risks:** as part of the Better Care Fund a risk schedule is agreed between the council and CCG and the monitoring and mitigation of these risks will be part of the joint management and governance arrangements. The most highly rated risk at present is that anticipated reductions in hospital activity are not achieved, which may in turn undermine the investment available for community based services to shift the balance away from hospital based care. This will be mitigated by close monitoring of the impact of schemes and taking prompt recovery action where necessary.

Policy implications

26. Integration of services as set out in the draft vision and Better Care Fund plan involves agreeing shared policy goals with partners as set out in the draft vision, developing neighbourhood multi-disciplinary team models with care co-ordinated by a lead professional, and jointly agreeing how pooled resources will be invested under the Section 75 pooled budget arrangements. Specific policy implications will be identified during the detailed design phase and agreed through integrated governance arrangements.

Community impact statement

27. The health and care related services covered by the Better Care Fund and the goals set out in the vision have a positive impact on the community as a whole. In particular it will impact on older people and people with long term conditions (many of whom have disabilities or mental health problems) who are most at risk of admission to hospital or needing intensive social care support. The plan aims to promote the health and wellbeing, independence and quality of life of these groups who are recognised groups with protected characteristics under Equalities legislation. The informal carers of these groups will also benefit, who are disproportionately female. The draft vision will also contribute to the wider prevention and public health agenda benefitting the population as a whole in the longer term, and reducing health inequalities.
28. As individual schemes are further developed for implementation in 2015/16 they will be subject to a more detailed community impact analysis.

Economic considerations

29. The aim to improve health and wellbeing of the population set out in the draft vision has a direct impact on economic well being. In addition, the financial sustainability of the local health and care economy will be improved by the successful delivery of the Better Care Fund, by reducing demand for more intensive and costly services in hospitals and care homes.

Staffing implications

30. As set out in the draft vision there is a significant workforce development agenda that needs to be addressed to effectively deliver integrated working. Our workforce will need to be well-informed, appropriately skilled and clear of its common purpose in delivering person-centred care. Staff will need to work increasingly flexibly in integrated neighbourhood teams.
31. The specific development of 7 day working to support hospital discharge will have staffing implications that will be assessed as detailed arrangements are proposed. These will be consulted on with staff in line with existing HR procedures.

Financial implications

32. The BCF totals £1.3m in 2014/15, increasing to £22m in 2015/16. The majority of the BCF represents existing budgets transferred directly from the NHS, where there are existing commitments from both the CCG and the council. The BCF is now included in the council's overall settlement and spending power calculation.
33. The BCF schemes proposed include a mix of existing funding, recognising the financial pressures experienced by the Council and CCG, as well as investment in new schemes. In 2015/16, a total of £2m is explicitly labelled as contributing to maintain social care services, an increase of £500k from the 2014/15 level. It is hoped that the impact of integration across the Council and CCG, including investment in schemes to reduce length and number of hospital and residential homes stays, will result in enduring savings for both organisations.

34. The pooled governance and financial arrangements for the BCF remain under discussion and will be agreed over the coming year. There are VAT advantages to the Council being the host for the BCF.

Legal implications

35. The requirements of the Better Care Fund will mean the council will need to review the governance arrangements for the Health & Wellbeing Board to ensure that they will support delivery under the fund. In addition careful consideration will need to be given to type of commissioning arrangements for the pooled budgets.

Consultation

36. The plan is underpinned by a vision for improving services in the community through better integrated working that has been developed over several years and shaped by a range of engagement activity.
37. Our integration project (SLIC), which has developed much of the thinking behind our approach has actively consulted with the public through the Citizen's Forum over the past 18 months. Southwark and Lambeth commissioners, working with the SLIC team, held an engagement event with residents on the 28th January 2014 to identify what people wanted as outcomes from integration and to help us articulate those outcomes from a resident's perspective. This work supports our vision document, but will also help us as we work to further develop our local outcome measures for integrated care. This event included over 50 participants, including Healthwatch and the representatives of other engagement groups linked to the CCG and LA.
38. There will be further engagement activity as the plan is finalised for submission in April, and beyond as detailed implementation plans for 2015/16 are developed.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

39. Cabinet is being asked to note the draft vision for integration, the summary of the draft Better Care Fund plan and the proposal to review the governance arrangements for its delivery (including a review of the governance arrangements of the Health & Wellbeing Board)
40. Cabinet notes that under the strong leader arrangements, the Leader agrees the final Better Care Fund submission on behalf of the council and Health & Wellbeing Board, in consultation with the Strategic Director of Adults & Children's Services and the Chief Officer of the CCG. This is in accordance with the powers set out in Part 3 of the constitution. It will be for the Chief Officer of the CCG to ensure that he has such authority as he requires to agree the submission on behalf of the CCG.
41. The report notes that the Better Care Fund is a national initiative aimed at increasing the integration and transformation of health and care related

services. It is noted in the report that in Southwark, the submission is underpinned by a local vision for integrated care and support.

42. At paragraph 18 of the report, the performance related pay element of the scheme is explained and the likely impact if targets are not met.
43. At paragraph 20 of the report, the national conditions attaching to BCF are highlighted.
44. As explained in the report, once the submission has been finalised it will then be necessary to determine how the pooled budgets will operate. These will need to be underpinned by robust governance and partnership arrangements.
45. As noted at paragraph 27 of the report, the aim of the BCF is to have a positive impact on and improve the lives of the community as a whole, however, it is most likely to have a positive impact on older people and people with long term conditions, many of whom have disabilities or mental health problems. Carers of this group of people are also expected to benefit. It will therefore be consistent with the council's equalities duties.

Strategic Director of Finance and Corporate Services (FC13/092)

46. This report notes the strategy and plan, the Better Care Fund as well as governance arrangements. Financial implications are contained within the body of the report.
47. The strategic director of finance and corporate services notes that this fund will represent an opportunity for the council to work alongside the NHS in delivering services. Officers will need to ensure that the fund is monitored to ensure it delivers best value and can be contained within available resources.
48. The pooled governance and financial arrangements for the BCF remain under discussion and will be agreed over the coming year. There are VAT advantages to the Council being the host for the BCF.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Better Care Fund – Draft plan submitted 14 February 2014 and supporting documents	Council Offices 160 Tooley Street, London SE1 2QH	Adrian Ward 020 7525 3345
Link http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4556&Ver=4		

APPENDICES

No	Title
Appendix 1	Draft vision for the integration of health and care related services in Southwark "Better Care, Better Quality of Life"
Appendix 2	Better Care Fund – summary - Plan on a page

AUDIT TRAIL

Cabinet Member	Councillor Catherine McDonald, Cabinet Member for Health, Adult Social Care and Equalities	
Lead Officer	Sarah McClinton, Director of Adult Social Care	
Report Author	Adrian Ward, Head of Performance (Adult Social Care), Children's and Adults' Department	
Version	Final	
Dated	7 March 2014	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		7 March 2014

APPENDIX 1

Better Care, better quality of life in Southwark:**Our vision for integrated care and support for our local population through well co-ordinated, personalised health and care services.**

This is a vision for the whole system, not just health and social care. It links key themes in the Southwark's Health and Wellbeing Strategy, Southwark CCG's Primary and Community Care Strategy, Adult Social Care priorities as set out in the Local Account, Southwark Council's Fairer Future priority to "support vulnerable people to live independent, safe and healthy lives by giving them more choice and control over their care", and the Housing Strategy which seeks to "help vulnerable individuals and families to meet their housing needs and live as independently as possible".

We want people to live healthy, independent and fulfilling lives, based on choices that are important to them.

Our vision for integrated care in Southwark is for people to stay healthier at home for longer by doing more to prevent ill health, by supporting people to manage their own health and well-being and by providing more services in people's homes and in the community. We want people to feel in control of their lives and their care, with the services they receive co-ordinated and planned with them around their individual needs.

We will build upon our existing work to integrate services around people's needs, but recognise that we now need to transform the way we work together across health and care to really achieve this.

Our key aspirations for integrated care in Southwark are to deliver:

- More care in people's homes and in their local neighbourhoods
- Person-centred care, organised in collaboration with the individual and their carers
- Better experience of care for people and their carers
- Population based care that is pro-active and preventative, rather than reactive and episodic
- Better value care and support at home, with less reliance on care homes and hospital based care
- Less duplication and 'hand-offs' and a more efficient system overall
- Improvements to key outcomes for people's health and wellbeing
- Stronger, more resilient communities
- Southwark as a great place to live and work

We will know we have achieved our ambition for integrated health and care in Southwark when we need to rely less on hospital-based care and care homes, because more care that is better value will be delivered in people's homes and in their local neighbourhoods. People will be admitted to hospital quickly when they need to be, to access to the world class facilities and services. Hospitals will be able to discharge people quicker, because effective and pro active services at home and in the community will help people get back on their feet and stay healthy and independent for longer.

We will take a population based approach to health, so that rather than just treating sickness, we recognise and address the wider determinants of ill-health across Southwark and the role of different services in promoting the public's health. This is set out in Southwark's Health and Wellbeing Strategy.

Why do we need to transform and integrate services?

There is a strong national and local drive towards integration, supported by new funding arrangements which necessitate joint working. The Care Bill will place a statutory requirement upon local authorities to carry out their care and support functions with the aim of integrating services with health and housing, and the Health and Social Care Act requires the NHS to ensure organisations work together to improve outcomes.

The way services are currently commissioned and organised does not always achieve our aims and our ambition is to work together to achieve better outcomes for our population and improved quality of life for individuals.

Southwark is a richly diverse borough with a significant asset base in terms of its people, its public services, its business communities, local economy and its social capital. The challenges we face are however significant. We have some world class services and yet we know we can do more to improve individual experiences, to improve the health of our local population and tackle health inequalities.

Our aspiration to improve the experience of local people, the challenges of our changing population, the increasing demands on our system and the economic challenge all mean we need to change.

Experience of patients and public: People in Southwark have told us they want care and support delivered in, or close to, their own homes. They want a response that is integrated and personalised, as expressed by the definition created by people who contributed to the 'National Voices' work:

"I can plan my care with people who work together to understand me and my carer(s), allowing me control, and bringing together services to achieve the outcomes important to me"*

**This is an agreed national definition of integration from "Integration: Our Shared Commitment". It goes on to list a range of similar statements from the user perspective about what good integrated care should feel like.*

Population and demographic challenges: Southwark's population is younger, more transient, more ethnically diverse and more benefit dependent than is the case nationally and in many London boroughs. Although the older population is not increasing as quickly as in some regions, the over 85s population is rising. The number of hospital admissions and use of A&E has increased much more rapidly than the growth in population. People are living longer but in Southwark people's 'healthy life expectancy' is below the London average and poorer people continue to have lower life expectancy and lower healthy life expectancy. A very high proportion of older people in Southwark live in social housing, presenting an opportunity for valuable co-operation between health, social care and housing services.

Economic challenge: The unprecedented economic challenge means the need for health and social care to deliver better value is greater than ever. A significant proportion of the demand on our local health system and the council comes from increasing numbers of frail older people and people with multiple long term conditions, including mental health. Integrated care is most effective when it is focussed on support for those people who are identified as being at greatest risk of poor health outcomes without early intervention and much improved co-ordination of services.

Building on progress so far:

As partners of Southwark and Lambeth Integrated Care (SLIC) we have already taken some significant steps towards integrating care in the borough, including establishing more community based support for frail elderly people to respond quickly to prevent admission or facilitate early discharge. Community Multi Disciplinary Teams are in operation across the borough, and primary care services are beginning to be organised on a neighbourhood basis.

We have also taken steps to re-direct finances to support these new models of care, However, there is still much to do to transform the way that care is organised, experienced by citizens, and funded across the borough. Our plans for the future of integrated services will build on these successes but go further, focussing on delivering personalised, pro-active care to local communities.

The changes we want to achieve:

We want to create a sustainable system that supports the most vulnerable and delivers value for money. To achieve this we need a significant cultural shift across the whole system. This means a different set of relationships between the NHS, the Council and the community, moving to a model where local citizens are seen as people who can contribute and exercise control over their own lives, improving their own health and well-being.

We want to tackle health inequalities and develop a more effective approach to preventing poor health and supporting people to better manage their own conditions. We need better integrated early interventions so that people get the right help when they need it and we need to ensure that people who have more complex conditions receive an integrated and personalised service.

Draft

We recognise the vital role that carers play both in delivering care and in helping prevent further deterioration, so that people do not need more intensive packages of support over time. This means we need to ensure that carers can access the right support to maintain their own health and well-being and to continue in their caring role, wherever they seek help.

We recognise we need to invest in the development of social capital across the borough, with a particular focus on enabling people to take control and giving them the tools to manage their conditions effectively. To help build community networks and a more personalised approach we will organise health and care services on a neighbourhood model around groups of primary care practices. This means that doctors, nurses, social workers, therapists, housing support workers and home carers will be able to build a strong set of relationships and work in a more integrated way, with common objectives to improve health outcomes for their local population and to offer a good experience that promotes better quality of life for local citizens.

The role of the third sector will be vital in driving forward the approach for building strong community engagement and the experience of the sector will be invaluable as we look to put the vision for effective prevention into practice.

We will mobilise our communities and recognise their assets, strengths and abilities, not just their needs. We will build on the assets in our community to support active self management by people, and support between peers, carers and families to take control of their own health and well being to address issues such as smoking, loneliness, exercise and eating.

Integrated care and support is about partnerships beyond the NHS and social care – involving individuals, communities, voluntary and private sectors and the Council's wider services, particularly employment and housing.

Healthwatch will help ensure that we are on track, and in particular that we provide services in a compassionate way that maintains people's dignity.

What does it mean for how we will commission services?

The Council and CCG are committed to using our joint resources to achieve our shared vision. The way that services are currently commissioned and organised does not always achieve these aims, and there are many 'hand offs' and differential incentives that work against our vision of services working together to support better health and more independence.

This will mean realigning finances to commission more pro-active support that offers continuity of care and is joined up around people's needs. Our plans, if successful, will mean less reliance on care in hospital or care homes, and more care in people's home or delivered in community based settings. We will work with partners in SLIC and the acute sector to enable this shift of resources to happen.

We will use our resources differently to remove organisational impediments to the provision of person-centred care and financially incentivising prevention, earlier intervention, recovery and re-ablement with our providers.

Draft

The pattern of services will be different in a number of ways:

The focus for the whole system is to enable people to live independently and well for as long as possible, using the widest range of mechanisms and support options possible. Some of the key aspects of change we want to see are:

- more care for older people and people with long term conditions will be delivered through locality based community multi-disciplinary teams with a lead professional responsible for co-ordinating the care of individuals, ensuring an integrated and personalised approach to case management by all services working with each person - GPs, Community Health, Social Care, Housing, Mental Health workers and hospital services.
- there will be less care needed in acute settings. A&E attendance and avoidable emergency admissions will reduce as community teams provide more targeted support to those at risk.
- When people do need acute care they will stay in hospital for shorter periods, returning home safely with the help of services such as @Home (Home Ward) and enhanced discharge support.
- re-ablement and intermediate care will increasingly provide effective short term interventions that rehabilitate people, restoring health and independence
- the balance of social care will shift away from care homes towards support in people's own homes and supported housing schemes including Extra Care.
- home care services will be funded with a view to radically improving quality and outcomes, with home carers linked in with other health and care professionals through the multi-disciplinary team approach
- there will be enhanced support for carers
- there will be a greater role for technology through using telecare to help people live safely at home
- a more integrated and coherent approach to preventative services including the voluntary sector tackling issues such as social isolation
- services will be responsive and accessible 7 days a week, including social care and admission avoidance community services as well as primary care
- new focus on developing dementia related services
- developing a neighbourhood health champions model

Achieving genuinely integrated care will have far reaching implications for the health and social care workforce and for the way that staff are trained and work together. Our **workforce** will need to be well-informed, appropriately skilled and clear of its common purpose in delivering person-centred care. We are committed to investing in the workforce so that they are appropriately skilled and trained for new ways of delivering care, and have a shared approach to coordinating care around people's needs.

Staff will need to work increasingly flexibly in integrated teams, with more staff working in the community and in people's homes. We will ensure that we have the right range of staff to respond flexibly to people's needs and that all staff across our system feel valued for their contribution to keeping Southwark people as healthy and independent as possible.

Better Care Plan	
<p>The Council and NHS are required to agree a pooled budget of £22m in 2015/16 that integrates services and shifts the balance of care from hospitals to the community, improving access and outcomes, protecting adult social care and achieving financial stability in the face of increased demand and reduced resources. In 2014/15 there is an additional resource of £1.3m to make prepare and make early progress on objectives.</p>	
<p style="text-align: center;">National aims</p> <ul style="list-style-type: none"> ▪ Transform local services - better integrated care and support ▪ Help local areas manage pressures and improve sustainability ▪ Take forward integration agenda at scale and pace ▪ Right care, right place, right time - more care in community settings ▪ Place people at the centre of their own care and support ▪ Improve quality of life 	<p style="text-align: center;">National conditions</p> <ul style="list-style-type: none"> ▪ Plans jointly agreed by Health and Wellbeing Boards ▪ Protects social care services ▪ Information sharing ▪ 7 day working ▪ Joint health and social care assessments and single 'accountable professional' co-ordinating care of individuals ▪ Agreement on impact on acute sector
<p style="text-align: center;">Local vision and priorities</p> <ul style="list-style-type: none"> • More care in people's homes and in their local neighbourhoods • Person-centred care, organised in collaboration with the individual and their carers through multi disciplinary teams • Better experience of care for people and their carers • Population based care that is pro-active and preventative • Better value care at home, with less reliance on care homes and hospital based care • Less duplication and 'hand-offs' and a more efficient system overall • Improvements to key outcomes for people's health and wellbeing • Southwark a great place to live and work 	<p style="text-align: center;">Performance targets – payment related (£5m)</p> <ul style="list-style-type: none"> • Reducing care home admissions • Increasing the effectiveness of re-ablement • Minimising delayed transfers of care • Reducing avoidable admissions to hospital • Improving service user experience of health and care services through integration • People supported to manage long term conditions <p>+ local measures will be developed to support these</p> <p>Who benefits?</p> <ul style="list-style-type: none"> ▪ Older people and people with long term conditions who are at risk of hospital admission, or who need support to be discharged from hospital back into the community ▪ Carers of people needing health and care services
<p style="text-align: center;">Plans 2014/15 - £1.309m</p> <ul style="list-style-type: none"> • Preparatory year for making early progress on priorities - £1.3m additional NHS transfer: • New transfer picks up non-recurrent funding for Winter Pressures schemes that fell out in 12/13 (£1.05m) • Some new investment in self management (£107k) and service development of multi-disciplinary team model (£100k) • Investment in psychiatric liaison services to reduce demand on A&E (£54k) • Existing discharge support, re-ablement and related services funded by NHS transfers added top the pot and reviewed in context of BCF aims and objectives (£7.9m) 	<p style="text-align: center;">Plans 2015/16 - £21.967m – not new money!</p> <ul style="list-style-type: none"> • Full implementation with money paid into a pooled budget of £22m: • Rolling forward and implementing the redesign of the 2014/15 discharge support, re-ablement and related schemes (£8.957m) • Integrated admissions avoidance and hospital at home services into the pooled budget (£3.3m) • Home care quality transformation (£1.9m) • 7 day working (£1.493m) • Expand psychiatric liaison services in A&E (£300k) and community mental health services to reduce crisis admissions (£870k) • Care Bill implementation (£1m) • Voluntary sector prevention (£910k) • Expand the use of telecare (£566k) • Protecting adult care – eligibility (£500k) • Carers Strategy (£450k) • Expand the self management programme (£307k) • Further developing the neighbourhood multi-disciplinary model (£100k) • Social services capital (£875k) and council Disabled Facilities Grant (£614k) • End of Life Care (£200k) <p>Schemes that are clearly social care total £13.937m (63%), CCG £4.877m (22%) and those that span both £3.153m (14%)</p>
<p style="text-align: center;">Next steps</p> <ul style="list-style-type: none"> ▪ April final submission after assurance process ▪ Develop programme over 2014/15 ▪ Agree Section 75 pooled budgets clarifying role and responsibilities, accountability arrangements through Health and Wellbeing Board 	

Item No. 15.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Home Ownership, Voluntary Disposals and Non-statutory Acquisitions	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

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

The council offers its secure tenants two affordable, means-tested routes into home ownership through the discretionary Social Homebuy and Home Purchase Grant schemes. Both have been adversely affected by the government's 'reinvigorated' statutory Right to Buy scheme. The maximum Right to Buy discount currently stands at £100,000 and with further proposals from central government to increase the discount in-line with the Consumer Prices Index, the council's schemes need to evolve to avoid becoming redundant.

This report sets out the measures that need to be taken to make both schemes more viable in the face of this stiff competition from the Right to Buy. Importantly, the Home Purchase Grant scheme and the subsidiary 'Tenant Move Assistance' scheme proposed in the report have a specific role to play in increasing the supply of the number of lettable council homes needed as a result of welfare reform changes.

The report also provides an interim update on the progress of two recommendations adopted in the Home Owner Improvement Plan; those being the home owner buy back scheme and the sale of the council's freehold reversionary interests in blocks where all flats are sold on long leases

RECOMMENDATIONS

1. The Cabinet agrees that the maximum discount allowable under the Social Homebuy shared ownership scheme is increased on a pro rata basis to the current statutory maximum available under the Right to Buy Scheme for the reasons specified in paragraphs 12 to 16.
2. The Cabinet notes that the terms of the Social Homebuy lease precedents are to be updated and modernised on advice from the council's external legal practitioner.
3. The Cabinet notes the proposed increase in the Cash Incentive Grant levels as specified in paragraph 25 and agrees to pilot the small-scale 'Tenant Move Assistance' scheme detailed in paragraphs 27 to 29.
4. The Cabinet agrees that any future capital receipts from sales under the Social Homebuy scheme are used to fund Cash Incentive Grant expenditure

BACKGROUND INFORMATION

5. The power for local authorities to voluntarily sell housing stock to tenants (or others) is derived from Part 4, Section 32 of the Housing Act 1985 (as amended). There are certain 'general' circumstances under which local authorities may dispose of stock held for housing purposes and the government issues 'General Consents' under section 32 to allow this. For disposals not covered by the General Consents, local authorities are required to apply to the Department for Communities and Local Government for a 'Specific Consent' to dispose.
6. *The Housing General Consents 2013* issued by the Department for Communities and Local Government in March of that year have given local authorities a greater degree of flexibility and indeed self-regulation in determining how best to voluntarily dispose of housing stock.
7. The first iteration of the revised consents issued in May 2012 contained a number of drafting errors and there was a considerable delay on the part of the CLG in re-issuing them as the re-invigoration of the statutory Right to Buy (RTB) scheme had risen to the top of the government's agenda. Southwark Council and in particular, officers from Specialist Housing Services (SHS) were closely involved in the drafting of the final version of the consents throughout 2012.
8. The revised consents shape and direct a number of SHS areas of work, including ad hoc disposals of land, property and other legal interests, the Social Homebuy Scheme and consequently for reasons explained later in this report – the Cash Incentive (Home Purchase Grant) scheme.
9. **Social Homebuy**
 - i. The Social Homebuy Scheme has been in operation since 2006. Southwark was the first local authority in the country to offer the scheme and the first to complete a sale on Social Homebuy terms.
 - ii. The Specific Consent issued to Southwark Council by the Secretary of State links the maximum discount available under the scheme to the maximum Right to Acquire (RTA) discount in London, which is currently £16,000.00. The government has been very particular about the fact that they do not intend to increase the RTA discount to match the increases made to the Right to Buy discount.
 - iii. Local authorities wishing to sell properties on shared ownership terms to tenants that qualify for the Right to Buy no longer need a specific consent from the Secretary of State to do so in a way that suits them strategically. Local Authorities may now also offer a discount linked to the statutory RTB discount rather than the RTA discount
 - iv. The gulf between the statutory RTB discount and the statutory RTA discount makes the Social Homebuy scheme very unattractive, particularly as property prices in London have steadily increased over the last 24 months.
 - v. The purpose of this report is to set out the reasons for the recommendation to increase the discount under the SHB scheme to match the amount available under the RTB scheme, in proportion to the share being purchased.

10. **Cash Incentive Scheme**

- i. The Cash Incentive Scheme, known in Southwark as the Home Purchase Grant (HPG) Scheme has been in operation since late 2007. More than 40 units have been released through the scheme, with former tenants moving into private owner-occupation usually outside the borough.
- ii. Although the scheme has been successful there have been barriers to greater success and these have been detailed in the previous Individual Member portfolio reports appended to this report.
- iii. The latest threat to the success of the scheme comes again from the re-invigoration of the Right to Buy. The gulf between the statutory maximum RTB discount (£100k) and the average HPG grant (£24k) is vast and a number of HPG scheme applicants have withdrawn applications in favour of the Right to Buy their homes.
- iv. For the reasons explained in this report, the Cabinet is asked to note the forthcoming increase in the grant levels under the HPG scheme and the role the HPG scheme has to play in addressing some of the issues brought about by welfare reform changes.

11. **Buy Backs and Sale of Freehold Reversionary Interests (SOFRI)**

- i. This report will also provide an interim update on two key decisions made in October 2013 as part of the Home Owner Improvement Plan – the refresh of the Council's Buy back and SOFRI policies.

KEY ISSUES FOR CONSIDERATION

Social Homebuy

12. A firm belief in the necessity of rigorous affordability testing underpins the home ownership schemes delivered by Specialist Housing Services. The essential outcome of any purchase must be that it is affordable and that affordability is sustainable. This applies to tenants' first purchases under the SHB and HPG schemes as well as onward purchases of council property made by home owners affected by regeneration schemes (under the council's rehousing assistance policies).
13. Clearly, the increase in the maximum RTB discount to £75k (April 2012) then £100k (March 2013) has gone some way towards the government's goal, with applications and completions having increased hugely in the past 24 months.
14. What is of concern to this local authority is the extent to which the RTB scheme has been and continues to be marketed at the expense of balanced information about the financial obligations that are a natural part of home ownership and in particular, leasehold home ownership. The council has recently agreed to the re-introduction of a hardship repurchase scheme, because increasing numbers of council home owners are simply unable to sustain owner occupation.
15. The original financial incentive for local authorities to operate a Social Homebuy scheme was that they could keep 100% of the capital receipts from Social Homebuy sales (rather than pooling them along with RTB receipts to repay debt)

for the (re)provision of social housing.

16. Under an Individual Member decision dating from August 2009, capital receipts from SHB sales are used to fund the HPG scheme. With no new SHB sales since 2011, the HPG scheme has derived funding from a combination of carry-forward balances from previous years and receipts from the sale of leasehold properties where the lease has been forfeited. The recommendation made to Cabinet to agree to the increase in Social Homebuy discount will have two positive outcomes:
- Specialist Housing Services will be able to proactively market an intermediate housing product to Southwark tenants, with assurances on affordability and sustainability. These features are currently missing in any meaningful way from the statutory RTB scheme.
 - Recyclable capital receipts from these additional SHB sales can be used to secure the longer-term future of the Home Purchase Grant scheme and the much needed release of lettable accommodation. This will be subject to the considerations concerning the Housing Capital Finance Regulations detailed in this report.

Cash Incentives

17. As with Social Homebuy, the popularity of the Cash Incentive scheme has suffered in the face of the re-invigorated RTB scheme.
18. On 29 May 2013, the Deputy Leader and Cabinet Member for Housing Management approved recommendations relating to the SMARTMOVE scheme. The recommendation of increasing the financial incentive available under the scheme had the express purpose of increasing the supply of larger homes, addressing overcrowding and increasing housing supply in light of welfare reform changes.
19. There has been considerable success to date with a total of 194 Smart Move moves completed between April and December 2013, and a total incentive payment amount of £352,400. Out of the 194 moves 156 of them were in working age households and 38 were applicants over 61 years and six months.
20. A subsidiary part of the report (paragraphs 30 to 35) specified that the HPG scheme administered by Specialist Housing Services also had a part to play in addressing welfare reform. Two suggestions were made in the report:
- That the HPG scheme be opened up to two-bed properties boroughwide
 - That a pilot Tenant Move Assistance scheme (referred to using the colloquial term 'winkling' scheme) be offered, under-which a small part of the HPG budget would be set aside to offer modest incentive for tenants considering a move into public sector or private rented accommodation outside Southwark. An amount of £50k was considered sufficient to operate such a niche scheme.

Increasing Grant Levels and the GLA bid for “Building the pipeline” funding

21. One of the most straightforward ways of making the HPG scheme more attractive to tenants and therefore generating more re-lets would be to increase the grant amount payable and bridge the gap between the grant and the RTB discount. The power to determine grant levels was delegated to the Head of Specialist Housing Services in December 2011.
22. In May 2013 London Local Authorities were invited by the GLA to make bids for Tenant Incentive Scheme funding under their “Building the Pipeline” programme. The Housing Investment Board approved a Specialist Housing Services bid for £266k to be spent over three years (2013/14 to 2015/16). The £266k represented match funding of £14k per unit, with the total number of units to be released being 19 with Southwark Council spending £16k per grant. The GLA made it clear that they expected local authorities to put in the larger share if they expected to be successful in their bids. The narrative to Southwark’s bid stated that the purpose of the bid was threefold: (a) To enable the scheme to be opened to 2-beds with an increased grant of £30k (b) To address the shortage of 2 bed properties available for let (c) To increase the grant levels for 3, 4 and 5+ bed units.
23. The GLA wrote to Southwark in late August 2013 with the news that Southwark’s bid was successful, and that funding would be awarded subject to the council entering into a contract with the GLA. However, this contract was only received on 5 March 2014, with the GLA citing delays with their legal team as the main reason. This has meant that we have not been able to open the scheme to 2 beds believing it prudent (given that we have identified approximately 4000 properties that would qualify in principle) to exercise the utmost caution until we know the terms of the contract and whether this authority will be able to fully comply with them.
24. The GLA has been able to advise us that our successful bid will not be forward-funded, which means we will be required to spend and then claim our expenditure back from them. It is assumed that the contract will specify precisely how this will work in practice.
25. Specialist Housing Services proposes to increase the grant levels as follows:
 - 2beds – from £20k to £30k
 - 3beds – from £20k to £35k
 - 4beds – from £25k to £40k
 - 5beds – from £30k to £45k
26. It is anticipated that the majority of applications will continue to come from 2 and three bed applicants.

Tenant Move Assistance Scheme

27. Tenant Move Assistance schemes are schemes under which incentive payments are made to secure tenants (usually of retirement or close to retirement age) to assist with an out of borough move into private (or less frequently) public sector renting – not home ownership, often by the seaside.
28. Specialist Housing Services occasionally receives queries from tenants seeking

remuneration for relinquishing their tenancies, for example when moving away from the borough due to work or family commitments.

29. In taking a responsible approach to such requests, Specialist Housing Services would like to pilot a SHS administered Tenant Move Assistance scheme in Southwark. The broad terms of the scheme will be as follows:
- The incentive will match the payment available under the SMARTMOVE scheme i.e. £1k per bedroom released.
 - The tenant must be moving outside the borough of Southwark
 - The tenant must provide full details of the accommodation they are moving to, including the landlord's contact details, a copy of the tenancy agreement and so on.
 - The scheme is not restricted to those of retirement age but full background checks, including identity and tenancy checks will be made on anyone applying for the scheme. The property being released must be re-lettable
 - In rare circumstances, secure tenants may have come into ownership of a property (for example through inheritance) which they do not or have not been able to occupy as their only or principle home. In such circumstances, tenants deciding to then relocate and move from their council home to this property will be assisted with removals costs and the incentive payment will be capped at £1000.00.

Information items – Buy back scheme and SOFRI

30. The implementation of the buy back scheme, including the development of relevant procedures is moving forward towards the proposed start date of April 2014.
- The Capital bid for £500,000 funding has been submitted.
 - Recruitment of a buy back officer (on a fixed term for twelve months) has been agreed by the Strategic Director of Housing and Community Services and is underway.
 - Property Services will undertake valuations.
 - The Southwark CAB have undertaken to make relevant referrals.
 - An update report has been submitted to Home Owner Council to be heard in the March 2014 meeting.
31. The home owner demand for the scheme will exceed the available funding and those authorities that have operated buy back schemes in the past have done so as 'schemes of last resort'. Home owners must have examined all other payment options before making an application to be bought back
32. Consultation with Home Owner Council (HOC) on the SOFRI decision is required under the Home Owner Improvement plan and this consultation took place on 26 February 2014. HOC decided that leaseholders should be afforded the opportunity to formally approve or reject the sale of the council's freehold reversionary interest to an individual leaseholder, or group of leaseholders in their block. The opportunity to indicate this preference will be given in the standard documentation SHS will issue to leaseholders in blocks made up solely of leasehold flats.

Policy and financial implications: Social Homebuy and Cash Incentives

33. This report draws together the strands that link these two affordability- tested home ownership schemes. As previously stated, the disposal receipts from one scheme fund the acquisitions in the other.
34. The Housing Capital Finance regulations were amended in 2013 with the effect that capital receipts from shared ownership sales at an initial percentage of 51% or greater must be treated in the same way as Right to Buy receipts. In Southwark's case, this means that the receipts relating to initial share purchases over 50% (irrespective of the property value) are to be used to fund the one for one local delivery replacement model adopted in 2012. The finance regulations also impose the further stipulation that where the initial shared ownership purchase is less than 50%, but is followed by an additional share purchase within two years which takes the aggregate ownership above 50%, again the receipts are subject to being treated as RTB receipts.
35. Clearly, increasing the discount under SHB could mean that the capital receipts available to fund either the cash incentive scheme or direct delivery of new council homes will be reduced. However, to not increase the discount will mean the scheme is unattractive to potential applicants, resulting in fewer sales and fewer receipts overall to fund either initiative.
36. The majority of Social Homebuy sales have been at 25% and 50%. If the council is to now rely on the revised General Consent to continue to operate the scheme, it will not be possible to sell at 100% as this would not constitute a shared ownership agreement as defined in the consents. However, there is now flexibility to sell in increments other than 25% should we wish to do so. In order to maintain funding for the HPG scheme, it may also be prudent to include a clause in the shared ownership lease which precludes staircasing above 50% for a period of two years from first sale.
37. There are also a number of other amendments that need to be made to the standard social homebuy shared ownership lease precedents used by the council to bring them up to date with those used in the RP sector, particularly around mortgagee protection.

Policy implications: Buy backs and SOFRI

38. The policy implications of the refreshed buy back scheme and proposals on disposing of Freehold interests are detailed in the Home Owner Improvement Plan.
39. A policy point to note at this stage of implementation is that SHS believes the Beacon valuation adjustment has potential to change in the near future as property prices are continuing to rise. It was the rapid rise in property prices in the mid 2000s, (exceeding the rise in local authority rents) which drove the adjustment percentage down to where it is now. This will be monitored by the Head of Specialist Housing Services and any adjustments to policy brought back to Cabinet at the relevant time

Community impact statement

Social Homebuy and Cash Incentive

40. The home ownership agenda at national level has swung back towards the statutory Right to Buy scheme, with further changes announced in January 2014 designed to further increase take-up. These changes include index-linking the maximum discount available so that it rises with consumer price inflation. The government has made some attempts to ensure applicants are better informed about the obligations of home owners and is setting up an advisory service to this end, however indiscriminate leafleting still continues.
41. The core tenet of the Social Homebuy and Home Purchase Grant schemes is that home ownership should be affordable and sustainable and that affordability testing should be a natural feature of applications to purchase.
42. Increasing the discount available under the Social Homebuy scheme will enable secure tenants in the borough to access affordable means-tested home ownership.
43. Increasing the grants available under the cash incentive scheme will increase the supply of homes available to let to residents affected by welfare reform changes.
44. The proposals along with the procedures the council has had in place to administer these schemes for some years address the council's equality duties and will positively impact those wishing to enter into home ownership irrespective of age, disability, gender, race, religion and sexual orientation.

Resource implications

Social Homebuy

45. The post of Social Homebuy Officer was restored as part of the SHS phase 5 restructure. The first round of recruitment was unsuccessful, however the second round is nearing conclusion and an officer is expected to be in post before the start of the next financial year.
46. The role of Social Homebuy Officer is an increasingly important one as the officer is responsible for both the pre-sales administration and the complex post-sales management of the shared ownership and shared equity portfolio. The portfolio will continue to grow if the recommendations in this report are agreed. There will also be a considerable number of shared ownership units being delivered through direct delivery on the East Dulwich Estate and in Maydew House. The Social Homebuy Officer will be responsible for post-sales management of these units. Post sales management is a specialist area and entails service charge and rent construction and collection, dealing with postponement of legal charges, staircasing, the right of first refusal and other matters specific to shared ownership arrangements

Cash Incentive Scheme

47. A full-time Cash Incentive Officer has been in post since 2009. No extra staff resources will be needed as a result of the recommendations in this report.

48. The Housing Investment Program budget for the cash incentive scheme is £276k for the current year and £232k for 2014/14 and 2015/16. Any underspend is to be carried forward and this budget is sufficient to increase the grant payments specified in paragraph 25 of this report.

Consultation

49. No additional consultation to be undertaken

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

50. Section 1 of the Localism Act 2011 grants Councils a general power of competence whereby a local authority has power to do anything which individuals generally may do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 32 of the Housing Act 1985 is a pre-commencement statute which imposes limitations on the Council's power of disposal
51. As the property falls within the Council's housing portfolio, the disposal can only proceed in accordance with section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
52. A number of general consents have been issued under the general housing consents 2013. Consent A3.5.1 of the General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985-2013 states that where an Authority disposes of a shared ownership lease, the local authority may apply a discount to the amount of the premium payable, such discount to be calculated in accordance with paragraphs (a) and (b) below:
- (a) in the case of a secure tenant with a right to buy in respect of their current home, the discount of no more than; the (purchase percentage) x (the RTB discount) x (the market value of the dwelling house); and
 - (b) in the case of a person who is not a secure tenant or a secure tenant who has not acquired the right to buy, a discount of not more than; the (purchase percentage) x (the minimum percentage discount available under section 129 of the Housing Act 1985) x (the market value of the dwelling house).

The purchase percentage means the percentage of the market value of the dwelling-house by reference to which the premium is calculated for the Shared Ownership lease.

53. Section 129 of the Housing Act 1985 sets out the basis of the discount entitlement
54. Consent A3.5.2 states that the discounts applied in 3.5.1 (a) and (b) must not reduce the price of the premium level to an amount less than the shared

ownership cap. The shared ownership cap is the amount set or prescribed under section 131 of the Housing Act 1985 multiplied by the purchase percentage. Section 131 limits the amount of discount that is payable to the extent that if the price before discount is below the amount determined by the Secretary of State, there shall be no discount.

55. Section 129 of the Housing Act 1988 as amended by The Regulatory Reform (Schemes under Section 129 of the Housing Act 1988) (England) Order 2003, which came into force on 1 April 2003, enables a local authority in England and Wales to make a scheme to pay grants to certain tenants or licensees of the authority to assist them to obtain accommodation otherwise than as a licensee or tenant of the authority by buying a dwelling-house or by carrying out works to a dwelling-house or both of those means . It is also provided that a scheme under this section shall contain such provisions as the local housing authority considers appropriate. The Council therefore has the power to implement the scheme and impose whatever conditions it considers appropriate.

Strategic Director of Finance and Corporate Services (FC13/096)

56. This report seeks cabinet approval to increase the maximum discount allowable under the Social Homebuy shared ownership scheme. It also seeks approval that that any future capital receipts from sales under the Social Homebuy scheme are used to fund Cash Incentive Grant expenditure. The financial implications are contained within the body of the report
57. The proposed increase in maximum discount for Social Homebuy (recommendation 2) is likely to encourage a small volume of tenants to purchase on that basis, providing smaller individual capital receipts than at current discounts but generating more in total. The amounts generated would be used to fund increased numbers of Cash Incentive Grants. Lease amendment may be required to restrict staircasing that might make receipts subject to retrospective pooling.
58. It is noted that the existing posts of Social Homebuy officer and Cash Incentive Officer are covered from current revenue budgets (paragraphs 45 to 47) and that current budget and GLA match funding will be sufficient to cover the proposed new Cash Incentive Grant levels, as specified in paragraph 25.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Home Owner Improvement Plan	Specialist Housing Services	Mark Maginn 020 7525 7431
Link http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?AllId=29462		
Review of under-occupation scheme	Specialist Housing Services	Mark Maginn 020 7525 7431
Link http://moderngov.southwarksites.com/ieDecisionDetails.aspx?Id=3795		

Background Papers	Held At	Contact
Revised Cash Incentive Scheme	Specialist Housing Services	Mark Maginn 020 7525 7431
Link http://modern.gov.southwark.gov.uk/ieDecisionDetails.aspx?id=710		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	
Lead Officer	Gerri Scott, Strategic Director of Housing and Community Services	
Report Author	Martin Green, Head of Specialist Housing Services	
Version	Final	
Dated	6 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
	Director of Legal Services	Yes
	Strategic Director of Finance and Corporate Services	Yes
	Strategic Director of Regeneration	Yes
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	6 March 2014
	Comments Included	Yes
		Yes
		No

Item No. 16.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Shared Equity – An Additional Rehousing Assistance Route for Homeowners Affected by Regeneration	
Ward(s) or groups affected:		Homeowners affected by regeneration (currently those residing on the Aylesbury Estate and parts of the Elmington Estate)	
Cabinet Member:		Councillor Ian Wingfield, Deputy Leader and Housing Management Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

The regeneration of the Aylesbury and Elmington estates is well underway with residents enjoying the new homes and community facilities which are progressively replacing their old, less attractive and expensive to maintain predecessors. There is no doubt that the economic and environmental benefits to these areas and their environs have already brought a positive and necessary change and that work must continue to complete these projects and extend the benefits as quickly as possible. However, it should not be forgotten that this cannot occur without the cooperation of resident homeowners who will necessarily be displaced as a result.

The council has offered a generous rehousing assistance package since 2007 for those resident homeowners who would be unable to otherwise afford to secure themselves suitable alternative accommodation after the repurchase. However, the rehousing routes available have not been viewed positively by some households and the council now wishes to introduce a new shared equity rehousing route which it is believed will give a more attractive rehousing solution to some homeowners, enable repurchases to be made more rapidly and so allow the regeneration to progress faster.

The introduction of a shared equity rehousing route will enable a greater number of households to enjoy a much more affordable type of home ownership. By doing so, it will also help to reduce the council's financial and fiduciary exposure brought about by the significant changes to the discount associated with the right to buy.

RECOMMENDATIONS

That the Cabinet

1. Approves the provision of a shared equity rehousing route for qualifying homeowners affected by regeneration.
2. Allows Directors' discretion to vary the recommended rehousing route in exceptional circumstances in accordance with paragraph 29.
3. Excludes from the council's boroughwide hardship repurchase scheme any

homeowners affected by regeneration who become council tenants and then subsequently exercise their RTB, falling into financial hardship as a direct result in accordance with paragraph 34.

4. Approves with immediate effect, the redrafting of precedent leases for sales of any property on shared ownership terms at 50% or lower to prohibit staircasing for a period of two years and that the precedent leases for sales of properties on shared equity terms at 50% are drafted to reflect the same in accordance with paragraph 48.

BACKGROUND INFORMATION

5. In recognition of the difficulties that resident homeowners affected by regeneration have in finding suitable alternative homes and the detrimental effect that this has on timescales for vacant possession of affected properties, the council offers a rehousing assistance package to qualifying homeowners. This does not preclude those homeowners from simultaneously exploring other rehousing routes available on the open market and those offered by Registered Providers (RPs).
6. In 2005, the council first introduced measures which were intended to assist certain homeowners who would be affected by the regeneration of the Heygate Estate. The policy was amended in 2007 for a number of reasons. In summary, not all of the rehousing routes devised would have been available for affected homeowners and the methodology for evaluating qualification was outdated, unsatisfactory and overly time consuming with the council dictating which property the household would move into. The council had also introduced Social HomeBuy in 2006 in support of affordable and sustainable home ownership and used the methodology of this scheme in the development of a new policy for affected Heygate homeowners. The new policy was adopted to allow more homeowners affected by regeneration to continue benefitting from affordable and sustainable home ownership in a suitable property of their choice. However, it would still assist those homeowners for whom ongoing home ownership was no longer appropriate by offering the safety net of council tenancy.
7. Subsequent policies adopted in 2010 and 2011 have made the same rehousing assistance package available to qualifying homeowners affected by regeneration on the Aylesbury and Elmington Estates.
8. The council has so far provided rehousing assistance to a total of 28 households affected by regeneration by providing rehousing from its own stock. This is out of a total of 46 households from the three estates who have applied for rehousing assistance and where their rehousing route has been determined.
9. While the numbers of households applying for rehousing assistance are not high in comparison to the total number of properties to be repurchased, the lack of a suitable, affordable and desirable rehousing solution for a single household will affect vacant possession timetables*.
10. Additionally, the rehousing assistance package in its current incarnation coupled with the recent considerable and ongoing increases in the maximum right to buy

* It should be recognised that this is rarely the sole reason why affected homeowners delay repurchase and there are typically a multitude of factors involved, including the agreement of the repurchase valuation.

discount poses a further financial and fiduciary risk to the council which must be recognised and ameliorated.

Review of the current rehousing assistance package

11. Currently, homeowners applying for rehousing assistance from the council do not have a choice of which rehousing route they can take. All applicants undergo a rigorous financial assessment, the outcome of which dictates which rehousing route they qualify for. Those who can easily afford the full capital and ongoing costs of purchasing a suitable home do not qualify for rehousing assistance from the council. Those who are able to afford the capital and ongoing costs of purchasing at least a 25% share of a suitable home qualify to purchase a council owned property on shared ownership terms. The remainder, who are unable to afford the capital and/or the ongoing costs of purchasing a 25% share in a suitable home qualify for council tenancy.
12. Applicants who qualify for a council assisted rehousing route choose a suitable property (in terms of housing need) to buy or rent from the council's choice based lettings system (Homesearch). Those qualifying for shared ownership are permitted to choose at what level of ownership they would like to buy. While an applicant cannot choose to buy a greater share than they can afford, they may decide to purchase a lesser one to have more disposable income or because they wish to retain more capital.
13. While shared ownership has many benefits, it has not been considered to be an attractive rehousing route to homeowners affected by regeneration and most households who are recommended for it are resistant to it. Negative reactions ranging from apathy to outrage are not uncommon. Of particular distaste is the notion of having to pay the shared ownership rent even when overall home ownership costs may be similar or less than those they are currently liable for. While council officers have worked hard to promote the benefits of shared ownership and to change negative opinions, this is very time consuming and is not always successful.
14. Of the 19 households recommended for shared ownership, only eight households have so far purchased on these terms. Two households recommended for this route were able to find properties they could afford to buy outright and did so. Another eight households did not take up the council's offer and ultimately found rehousing solutions that were not within council stock. The remaining household has been recommended for a shared ownership rehousing route but is seeking a suitable and affordable property to purchase on Homesearch. The average time it has taken from activation date to successful conclusion (i.e. vacant possession of an affected property) is 27 months – 24 months for those households who did eventually take up the council's offer and 29 months for those who did not.
15. Only three of the 22 households recommended for council tenancy did not take up the council's offer. It is known that two of these households were able to remain in home ownership by taking advantage of specific shared equity routes offered by RPs as brokered by the council. Four households have been recommended for council tenancy but are still seeking a suitable property to move into on Homesearch. For the 15 remaining households, the average time it has taken from activation date to successful conclusion (i.e. vacant possession of an affected property) is 19 months.

16. There are another 14 live rehousing assistance applications where the rehousing route has not yet been determined. Two of these households are in an active regeneration phase and the rest have applied in relation to the current early repurchase offer for Aylesbury homeowners agreed in May 2013.

Effect of legislative changes to the Right to Buy (RTB) Scheme

17. Due to recent and dramatic increases in the RTB discount in London, the council is exposed to financial and reputational risks where homeowners who have applied for rehousing assistance are assessed as being unable to afford ongoing home ownership at the lowest 25% level and become council tenants but then subsequently re-exercise their RTB to advantage from the further discount now available.
18. The discount for tenants exercising RTB in Southwark had been at a historic low of £16,000 between March 2003 and April 2012 following reductions from the original maximum of £50,000 which was then reduced to £38,000 in February 1999. This was taken into consideration when the policies were formulated and agreed for regenerating the Heygate, Aylesbury and Elmington Estates and for providing rehousing assistance to homeowners residing on those estates and affected by the regeneration.
19. There was very little risk that homeowners recommended for council tenancy would be able to quickly re-exercise their RTB as the financial assessment would have proven this was unaffordable and no further discount would have been available, making it unattractive as well as unviable. Contrary to popular belief, a tenant may exercise their RTB more than once although this is not common. For example, a tenant may exercise their RTB and then fall into financial hardship and be repossessed. A local authority will have a duty to rehouse the tenant under certain circumstances. The tenant will then be able to claim their right to buy again. However, the discount they receive on the second purchase (and any subsequent purchases) must be reduced such that the total discount received does not exceed the maximum discount available at the time. As discounts had fallen over time and former homeowners affected by regeneration and exercising their right to buy for a second time would not qualify for further discount.
20. The rises in maximum right to buy discount in April 2012 and March 2013 to £75,000 and £100,000 respectively, the buoyancy of the housing market in the last year and the additional measures to increase RTB sales announced on the 27th December 2013 have meant that the likelihood and impact of this risk have now been raised and it has become a significant financial and fiduciary issue. In May 2014, maximum RTB discount levels will rise with increases in CPI and the maximum discount percentage for tenants of houses will be increased.
21. Based on the data taken from actual rehousing assistance applications, a third of homeowners coming back as council tenants would now very quickly be able to re-exercise their right to buy as they will have the capital monies to do so with little or no requirement for additional borrowing made achievable by the further discount available. They only need to wait a year until their introductory tenancy comes to an end. The further discount available would be a minimum of £50,000 and, for many homeowners coming back as tenants, be far in excess of the discount they were originally granted and therefore a significant incentive.

22. In recommending council tenancy for these homeowners based on an assessed inability to sustain a minimum 25% level of shared ownership, the council is sending out a confused message by dictating that home ownership is not affordable while at the same time facilitating a significantly discounted purchase through the right to buy. Where such sales may occur, the council would lose the amount of capital associated with the further discount which would otherwise be recycled back into regeneration or directed towards the provision of newly built council housing.

KEY ISSUES FOR CONSIDERATION

23. There have been 336 properties requiring repurchase to date on former and currently live regeneration schemes/phases where the council has offered rehousing assistance in its current incarnation*. Another 355 properties on the Aylesbury estate which are in currently inactive phases will require repurchase. As these figures are so close, projections for future rehousing assistance applications and outcomes can be made by assuming that they will be similar to those already experienced. In doing so the range of applicants' ages, affordability levels and household needs that will be encountered can also be assumed to be analogous, these factors being critical to outcomes.

Introducing a shared equity rehousing route

24. Shared equity differs from shared ownership in that no shared ownership rent is payable and it is therefore more affordable for lower income households. However, due to the loss of this significant and regular revenue stream (which itself is charged to limit the loss of opportunity associated with receiving only a portion of the full market value at the outset), it is normally much more restrictive as vendors of such properties seek to balance or at least mitigate their losses. There are many variations of shared equity offers. The proposed details and restrictions that would be adopted by the council as well as the rationale behind each one are laid out in Table 1 below.

* Heygate – 179; Aylesbury phase 1a – 34; Aylesbury site 7 – 18; Aylesbury phase 1b/c – 74; Elmington - 31

Table 1: Existing Shared Ownership vs Proposed Shared Equity

	Shared Ownership	Shared Equity	Rationale
Minimum purchase level	25%	50% (but in exceptional cases can be lowered with Director's discretion).	A minimum 50% ownership level for shared equity is deemed appropriate to reduce the loss of opportunity not mitigated by the receipt of shared ownership rent.
Maximum purchase level	75%	90%	
Available ownership levels	25%, 50% and 75%	50%, 60%, 70%, 80% and 90%	
Staircasing allowed?	Yes, up to full ownership in multiples of 25% increments based on agreed market value at the time with all legal and administrative costs payable by the leaseholder.	Yes, up to full ownership in multiples of 10% increments based on agreed market value at the time with all legal and administrative costs payable by the leaseholder.	Discrete ownership levels assist in the ongoing administration after the purchase has been made.
Allowable retention	Up to £16,000		All purchasers are able to retain a maximum of £16,000 of capital. This amount is not considered in the financial assessment of their affordability. However, should the purchaser wish to use some or all of this amount in the purchase, they are permitted to do so.
Choice of ownership level?	Yes, as long as the purchase is affordable.	No, the purchaser must purchase up to the nearest affordable 10% tranche. The allowable £16,000 retention monies are disregarded.	Shared equity arrangement forces maximum affordable purchase to be made to minimise the loss of opportunity not mitigated by the receipt of shared ownership rent.
Ground rent	£50 per annum	£200.00 per annum for the first 25 years, rising by £100.00 every 25 years.	The rising ground rent for shared equity purchase is in accordance with other voluntary disposals made by the council on the open market and ensures that after the initial purchasers have sold on or passed away that the council receives a commensurate revenue stream.

Table 1 (continued): Existing Shared Ownership vs Proposed Shared Equity

	Shared Ownership	Shared Equity	Rationale
Service charge liability (major works)	Apportioned to owned share.		Apportioning service charge liabilities with respect to major works reduces the complexity of valuing for staircasing purposes.
Service charge liability (other)	Full payment for buildings insurance, ground rent and communal heating/hot water (if provided), payment for all other services apportioned to owned share.	Full payment for all services.	Full payment for other service charge liabilities under shared equity assist with reducing the council's loss of revenue and is commensurate with purchases previously made under the Rent to Mortgage shared equity variation of the RTB (now defunct).
Right of first refusal	Yes, as long as ownership is less than 100% and for a maximum of 21 years from the completion date.		This is the maximum period that the council may retain a right of first refusal. Currently, the council does not have a policy (or budget) to exercise this right. However, this may change over time.
Sale of share	No, open market sale at 100%		The shared equity arrangement cannot be passed on or shared after the initial purchase. The council accepts the loss of ongoing revenue solely to assist those qualifying homeowners affected by regeneration.
Able to add owners after initial purchase?	Yes	Not while ownership is less than 100%	
Inheritance	Share can be inherited.	Inheritors must staircase up to full ownership within the first anniversary of the death of the last remaining owner.	
Subletting	Prohibited while ownership is less than 100%.		Subletting allows shared owners paying reduced home ownership costs to benefit from market rents.
Term	125 years (or remainder of term less 5 days where the council is not the freeholder).		Allows affordability assessments to be based on comparable valuations taken from other disposal schemes and strategies where the initial term is 125 years.

25. Introducing a shared equity rehousing route as envisaged would allow an alternative and a more desirable choice to some applicants who would only have qualified to purchase on shared ownership terms. All of the 19 households recommended for shared ownership would have qualified for and could have chosen a shared equity route if it had been available at the time and they had wished to do so.
26. Likewise, more of those applicants who would otherwise have become council tenants would remain in affordable home ownership with shared equity. Seven of the 22 households already assessed as requiring council tenancy would have been determined a shared equity route if it had been available at the time. The examples given in Appendix 3 illustrate how applicants may be affected.

27. In terms of revenue charges imposed by the council on the household, shared equity would be considerably cheaper in comparison to full ownership, all levels of shared ownership and council tenancy (see Appendix 1 and 2) with only costs in respect of leasehold service charges being payable plus the ground rent of £200 per annum. Evidently, the actual amount payable would be dependent on the services the actual property purchased receives and is likely to vary from those figures stated. In addition, the property may be subject to service charges payable in respect to major works which would increase the liability. However, applicants would be making an informed decision as estimates of these costs would be clearly provided in the offer made and adjustments made to their financial assessment to ensure they can meet such liabilities into the foreseeable future. Officers would also undertake (as they currently do) to meet with applicants to discuss the offer in detail giving the applicant the opportunity to raise any other queries they may have. In any event, the various payment options available to all Southwark leaseholders would be available to any shared equity owner struggling to meet service charge liabilities in the future beyond the scope of the financial assessment.
28. The council does not currently offer a shared equity rehousing route. When the first rehousing assistance policy was being formulated, it was deemed to be too costly to the public purse to allow only a share of a property to be purchased and to forego the sale of the remaining share for an unspecified period of time while also foregoing the benefit of a shared ownership rent in lieu. However, times have changed, lessons have been learnt and the risks now relating to the right to buy have increased to such an extent that they cannot be ignored. Introducing a shared equity option to the available rehousing routes offered by the council will ameliorate (although not eliminate) this issue.
29. It is deemed wise to have some Directors' discretion in exceptional circumstances to allow for
- a) a reduction of the minimum 50% equity level, and/or
 - b) an alteration in the rehousing assistance route for homeowners who have applied for rehousing assistance under the council's 2013/14 early buy back scheme (see paragraph 51).
- It is proposed that a business case giving (inter alia) clear justification for the change and the financial implications to the council is presented to the Directors of Housing and Community Services, Regeneration and Finance who must all agree to the proposal.
30. As the council's chosen development partner for the Aylesbury and Elmington Estates, Notting Hill Housing Trust will be offering their own version of shared equity to homeowners affected by regeneration which will be available alongside the council's rehousing assistance routes. Effectively, this will offer some homeowners a further choice of rehousing route. However, it will also offer those homeowners who do not wish to apply for council rehousing assistance an alternative way of accessing affordable home ownership that has been specifically designed for them.

Policy implications

31. All existing policies offering rehousing assistance to homeowners affected by regeneration and the policy in relation to the boroughwide hardship repurchase scheme would be amended accordingly. However, the lettings policy will not

require any amendment.

32. So that current rehousing assistance applications can continue, it is proposed that the changes to the rehousing assistance policy become implementable only when it is practically possible to offer them so that those wishing to take advantage of their current recommended rehousing route in the meantime can carry on doing so. A number of essential matters will require attention (see paragraphs 43 and 44) and it is anticipated that it will take a few months to reach this point. However, once they are all resolved, it is proposed that the policy is retrospective to live applications at the time where a successful bid to buy or rent a council property has not yet been made so that the issues described in this report are addressed as comprehensively as possible. It is anticipated that it will take until July 2014 to reach this point.
33. In the interim period, this will mean that the current rehousing routes and qualification for them will remain. The upcoming changes will be communicated to and discussed with all stakeholders. It is likely that some households will wish to wait to take advantage of the shared equity rehousing route. However, there will be households where the rehousing route would change from council tenancy to shared equity who will want to avoid this and will seek to complete their applications and provide vacant possession before they are affected. As is ongoing practice, where valuations have been agreed and a significant amount of time has passed since this happened (usually more than three months), they will be reviewed to see whether an adjustment should be made to give a current market value.
34. The council resolved to offer a boroughwide hardship repurchase scheme in October 2013 with a very limited budget. In order that these monies are directed towards the most desperate and deserving cases, it is recommended that homeowners affected by regeneration who then subsequently exercise their RTB and fall into financial hardship as a direct result are excluded from the scheme.

Community impact statement

35. While there is no evidence that any other group may be affected more than another by the proposed change in policy, the data does show a bias towards a greater number of older homeowners being affected. However, caution should be exercised when interpreting this data. The proportion of applications received from older homeowners has been much greater with 49% of applications being made by households over 60 years of age with a further 19% being made by households over 50 years of age. It is logical that a greater number of older homeowners would feel the need to apply for rehousing assistance as access to finance and the potential for any positive change to income levels become less likely to enable those homeowners to suitably rehouse themselves. Any analysis will therefore be naturally skewed to affecting older homeowners. Table 2 shows the outcome of the 46 rehousing assistance applications where the rehousing route has already been determined.

Table 2: Rehousing assistance determination by age of homeowner

	Rehousing assistance determination			
Age of homeowner	No assistance	Shared ownership	Council tenancy	Total
Less than 50	2	9	4	15 (33%)
Between 50 and 60	2	2	6	10 (22%)
Over 60	1	8	12	21 (45%)
Total	5	19	22	46

36. Of the 19 households recommended for shared ownership, all would have had the choice of opting for shared equity if it had been available at the time. Such a choice can only be considered beneficial to these applicants regardless of age, there currently being no choice at all in accordance with existing policy.
37. Of the 22 households recommended for council tenancy, seven would have been recommended a shared equity rehousing route instead without having the choice of another council assisted rehousing route. Five of these households would have been over 60 years of age, one would have been between 50 and 60 years of age and one would have been under 50 years of age.
38. Whether being recommended a shared equity route would be considered beneficial or otherwise to those households is a matter of opinion rather than fact. Previously, these seven households would have had no choice but to take council tenancy. Certainly, that two of the 22 households recommended for council tenancy (both over 60 years of age) who did not take up the council's offer secured themselves an alternative home ownership route indicates that some of these households do not wish to be divested of home ownership and find the determination of council tenancy as a rehousing route unattractive.
39. However, the opposite is also true and there will be households who would otherwise have been recommended for council tenancy who would only have a shared equity route available to them. The council will continue to carry out stringent affordability tests to be assured that all households recommended for it will be able to afford the costs of this type of ownership into the foreseeable future.
40. There is no doubt that a change in policy to offer a shared equity route will impact a greater number of older households by altering the recommended rehousing route. The change cannot be said to advantaging or disadvantaging an affected household as that would depend on the homeowners' own expectations and aspirations. Certainly, in offering such rehousing assistance possibilities at all, the council is acting far beyond its statutory duty and favourably in comparison with most other authorities carrying out regeneration schemes which require the acquisition of homeowner interests.
41. As stated in paragraph 23, it is expected that future application numbers and outcomes as well as household compositions will be very similar to those already experienced. As such, the number of applicants who would experience a different outcome to that offered by current policy is not expected to exceed single figures although the majority of these would be over 60 years of age. However, a slightly greater proportion of applicants over the age of 60 would also advantage from a choice of shared ownership or shared equity rehousing

routes as would a similar number again of applicants from younger age groups.

42. On balance, it is therefore recommended that the rehousing assistance policy is changed to introduce a shared equity rehousing route to benefit all homeowners affected by regeneration.

Resource implications

43. No additional staffing resources will be required.
- a) Officers within the Aylesbury Project Team and Aylesbury Area Office will coordinate the internal dissemination of information to colleagues within the council and the external delivery of information to residents and other stakeholders, setting up appropriate forums and updating procedures and literature as required. Those home ownership officers dealing with the technical implementation of the policy will contribute to these processes when required.
- b) Officers currently employed within Specialist Housing Services (Home Ownership) and already involved with the financial assessment of homeowners applying for rehousing assistance will lead on the technical implementation of the policy. This will include arranging for new precedent leases to be drafted in accordance with this policy and wider legislative requirements and the updating of all systems and documentation in relation to the financial assessment process. These officers will also lead on the post sales service charge construction and recovery processes, advising and instructing colleagues appropriately.
44. There will be a cost in relation to the drafting of new precedent leases to enable the sales under the shared equity arrangement. The work can be provided under the council's contract for the provision of residential conveyancing work instructed by Specialist Housing Services. The costs will be met by Regeneration through an existing budget set up to pay for legal costs.

Legal and financial implications

45. The General Housing Consents 2013 allow the council to dispose of properties under a shared equity arrangement without the need for specific consent from the Secretary of State.
46. The proposal envisages various controls on ownership and future dealings, with a view to limiting the Council's financial exposure under the scheme. Meanwhile, the applicant is provided with an ownership option that would not otherwise be available. In valuation terms any downside created by the restrictive framework outlined in Table 1 is likely to be negated by the additional flexibility that opening up this option will create. Ultimately, if there is a subsequent sale of the property it will be at open market value. On this basis the capital value of interests created under the arrangement can be broadly equated with open market value and valued accordingly. As such, valuations for the purposes of determining a household's ability to sustain home ownership under full ownership, shared ownership or shared equity arrangements will be comparably based on an open market valuation.
47. Under current capital finance regulations receipts from sales of property under

shared ownership or shared equity arrangements where the initial share purchased exceeds 50% are subject to different treatment to those where the initial share purchased is less than 50%. For the former, the receipt is treated the same as a receipt received under the right to buy. For this council, this will mean that the receipt is directed towards the cost of building new council homes. For the latter, the receipt will be recycled back into the regeneration scheme.

48. These capital finance regulations also place a burden on local authorities selling properties on shared ownership (or share equity) arrangements to treat capital receipts received in receipt of initial sales of 50% or less as those received in receipt of initial sales of more than 50% where staircasing increases the owned share to above 50% within two years of the initial sale. Where a sales are above 50%, this will not cause any problems. However, for shared ownership sales at 50% or 25% and for shared equity sales at 50%, it could be problematic as the council would need to allow for a change in the use of the capital receipt for at least two years. It is therefore recommended the leases for shared ownership sales at 25% prohibit staircasing for a two year period from the date of completion.
49. Opening up a shared equity route would not be without cost to the council's revenue stream. For an unknown period of time, the council would forego the shared ownership rent normally charged in recognition of the loss of opportunity that the capital receipt in relation to the unowned share would have enabled if the property had been purchased outright. For this council, shared ownership rents more than adequately cover the apportioned shared ownership liability for service charges at all levels of ownership and also compare favourably with revenue collected in relation to tenancy rent (see Appendix 1).

Consultation

50. The Aylesbury Regeneration Sub Group (ARSG) was consulted on the 5th February 2014. The policy was further discussed at the Creation Trust Board Meeting which took place on the 13th February 2014.
- a) The chair of the ARSG agreed that the policy should be adopted as it seemed unfair that some homeowners could benefit from a large amount of capital and still qualify to be rehoused as council tenants.
- b) There were concerns from one member of the ARSG that the change in policy as envisaged would be unfair to the small group of 12 households who had applied for rehousing assistance under the current early buy back scheme in November 2013, some of whom may otherwise have been recommended council tenancy as their rehousing route. It was explained that the financial assessments for these households were not finalised and were not due to be finalised until the end of March 2014. As such no rehousing route determinations had yet been made for this group of households. However, it was likely that some households would qualify for shared ownership and some for council tenancy under current rules and if the new policy became implementable before all these households had found rehousing that it would affect them. While it was agreed that this would be advantageous to those households who would have choice of rehousing route, there was concern for those households whose rehousing route recommendation would change from council tenancy to shared equity without having any choice. To provide some balance to these concerns, the ARSG was reminded that not all households

- who had been recommended council tenancy were happy with this determination and had found their own routes into affordable home ownership. Withholding the policy would also adversely affect such households. Additionally, it was unlikely that all homeowners recommended a council tenancy rehousing route would experience a change in determination.
- c) The feedback from the Creation Trust Board Meeting reflected that of the ARSG with shared equity considered a welcome addition to the available council assisted rehousing routes. However, there was the same concern that some homeowners who had applied for rehousing assistance under the early buy back scheme would be adversely affected by the change in policy.
51. In light of the concerns raised above, there is scope for Directors' discretion to be exercised in exceptional cases as per paragraph 29. This will allow those homeowners wishing to benefit from the shared equity rehousing route to do so while also providing a safety net to those for whom it is deemed unsuitable.
52. Naturally, should this policy be adopted, work will commence immediately to develop a communications strategy to best convey the change to all affected homeowners. This will include individually advising and discussing with all affected homeowners in live regeneration phases and those who have applied for rehousing assistance under the 2013/14 early buy back scheme what the change in policy will mean for them but will also look to how it will best be communicated to those homeowners in regeneration phases which are not yet active and are still yet to decide whether they wish to be considered for rehousing assistance.
53. A briefing paper was been sent for consideration by the Home Owner Council (HOC) on 12th February 2014 with a verbal briefing given at the 26th February 2014 HOC meeting. No comments or concerns were shared.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services (HR010 309/KR)

54. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 32 of the Housing Act 1985 is a pre-commencement statute which imposes limitations on the Council's power of disposal.
55. The Council can dispose of properties held within its housing portfolio as long as the disposal is in accordance with the provisions of section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
56. A number of general consents have been issued in the General Housing Consents 2013. General consent A 3.1.1 provides that a local authority may dispose of land (which includes buildings - including houses and flats) for a consideration equal to its market value. The consents include the grant of a shared ownership lease within the definition of "dispose", and the definition of "shared ownership lease" means a lease granted on payment of a premium calculated by reference to a percentage of the market value. This definition

would include both shared ownership and shared equity arrangements.

57. The General Housing Consents 2013 also permit an authority to impose conditions in a shared ownership lease, such as those that are set out in Table 1 in this report relating to restrictions on subletting and a right of first refusal (pre-emption).
58. Cabinet is therefore advised that there are adequate legal powers to permit the Council to proceed with the proposed shared equity scheme as set out in this report.

Strategic Director of Finance and Corporate Services (FC13/097)

59. This report seeks cabinet approval to the provision of a shared equity rehousing route for qualifying homeowners affected by regeneration. It also seeks approval to the immediate redrafting of precedent leases for sales of any property on shared ownership terms at 50% or lower. The financial implications are contained in the body of the report.
60. It is noted that loss of revenue rental income under the proposed shared equity arrangements is partly offset by a full service charge being receivable plus a capital receipt at upwards of 50% of valuation. The proposals would only be on offer to some homeowners affected by regeneration and would not significantly affect 2014/15 HRA revenue income budgets.
61. It is proposed to exclude from the hardship repurchase scheme those homeowners rehoused as tenants who subsequently purchase their second property under Right to Buy, i.e. those benefiting from two discounts. This controls the scope and hence expense of the scheme.
62. The prohibition of staircasing for two years of properties at shared ownership levels of 50% or lower protects the Council from a later pooling liability relating to an initially fully useable receipt.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Project Updates	Regeneration 160 Tooley Street London SE1 2QH	Stephen Platts 020 7525 5640
Link Project Updates		
Amending the Rehousing Policy for Home Owners Affected by the Regeneration of the Aylesbury Estate	Regeneration 160 Tooley Street London SE1 2QH	Jane Seymour 020 7525 4907
Link Amending the Rehousing Policy for Home Owners Affected by the Regeneration of the Aylesbury Estate		

Background Papers	Held At	Contact
Mid Elmington Regeneration Programme	Regeneration 160 Tooley Street London SE1 2QH	Maurice Soden 020 7525 1292
Link Mid Elmington Regeneration Programme		
Aylesbury Regeneration – Purchase of Non Council Owned Residential Properties	Regeneration 160 Tooley Street London SE1 2QH	Jane Seymour 020 7525 4907
Link Aylesbury Regeneration – Purchase of Non Council Owned Residential Properties		
Homeowner Improvement Plan	Specialist Housing Services 160 Tooley Street London SE1 2QH	Martin Green 020 7525 1418
Link Homeowner Improvement Plan		

APPENDICES

No.	Title
Appendix 1	Comparison of revenue streams
Appendix 2	Monthly cost comparison between Shared Equity and Shared Ownership
Appendix 3	Qualification for Rehousing Routes under the Proposed Policy

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management Councillor Fiona Colley, Cabinet Member for Regeneration and Corporate Strategy	
Lead Officer	Martin Green, Head of Specialist Housing Services	
Report Author	Samantha Cheng, Sales and Acquisitions Manager	
Version	Final	
Dated	6 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Members	Yes	Yes
Date final report sent to Constitutional Team	6 March 2014	

Comparison of Revenue Streams

APPENDIX 1

				Shared Ownership								
				25%			50%			75%		
Average Valuation of Property	Bed size	Average 2013/14 Tenancy Rent	Typical Leasehold Service Charge	SO Rent	Apportioned SC	Total	SO Rent	Apportioned SC	Total	SO Rent	Apportioned SC	Total
£180,000	1	£4,559.36	£1,073.89	£4,050.00	£268.47	£4,318.47	£2,700.00	£536.95	£3,236.95	£1,350.00	£805.42	£2,155.42
£195,000	2	£4,988.36	£1,243.39	£4,387.50	£310.85	£4,698.35	£2,925.00	£621.70	£3,546.70	£1,462.50	£932.54	£2,395.04
£235,000	3	£5,490.68	£1,439.45	£5,287.50	£359.86	£5,647.36	£3,525.00	£719.73	£4,244.73	£1,762.50	£1,079.59	£2,842.09
£350,000	4	£5,929.04	£1,898.95	£7,875.00	£474.74	£8,349.74	£5,250.00	£949.48	£6,199.48	£2,625.00	£1,424.21	£4,049.21

1. All income figures are yearly calculations.

2. Typical service charges have been calculated with respect to all current live service charge accounts in 2013/14. However, caution must be exercised in interpreting these figures. There is no "average" service charge as they relate only to individual properties and depend on the wide and varied nature and extent of the actual services provided. These figures are for illustrative purposes only and should NOT be considered as benchmarks. The figures do not include service charges payable due to major works.

3. The leasehold service charge plus a ground rent of £200 per annum is the only amount which would be payable by a shared equity owner should the shared equity route be adopted, as envisaged, and would remain the same regardless of the level of ownership.

4. The service charge and shared ownership rent calculations provided relate only to flats.

5. Shared ownership rent is calculated at 3% of the value of the unowned share per annum and rises with RPI + 0.5% on a yearly basis.

6. For simplicity and illustrative purposes only, all service charge figures for the shared ownership calculations have been apportioned to the owned share, including those normally charged in full (i.e. communal heating & hot water, buildings insurance and ground rent).

7. Property valuations are averages taken from market valuations carried out over a 6 month historical period (May to November 2013) on council owned property as a result of rehousing assistance procedures and in relation to claims made for the right to buy during the same period. For actual financial assessment purposes, these are regularly revised on a rolling basis in accordance with the latest data available and subject to change in accordance with market forces. They should therefore only be considered to be illustrative.

Monthly cost comparison between Shared Equity and Shared Ownership

APPENDIX 2

			Shared Ownership								
			25%			50%			75%		
Average Valuation of Property	Bed size	Shared Equity Cost	SO Rent	Apportioned SC	Total	SO Rent	Apportioned SC	Total	SO Rent	Apportioned SC	Total
£180,000	1	£106.16	£337.50	£26.54	£364.04	£225.00	£53.08	£278.08	£112.50	£79.62	£192.12
£195,000	2	£120.28	£365.63	£30.07	£395.70	£243.75	£60.14	£303.89	£121.88	£90.21	£212.09
£235,000	3	£136.62	£440.63	£34.16	£474.78	£293.75	£68.31	£362.06	£146.88	£102.47	£249.34
£350,000	4	£174.91	£656.25	£43.73	£699.98	£437.50	£87.46	£524.96	£218.75	£131.18	£349.93

This table has been produced using the figures from Appendix 1.

The “Shared Equity Cost” is the monthly cost of the Typical Leasehold Service Charge from Appendix 1 including the proposed ground rent at £200 per annum.

Qualification for Rehousing Routes under the Proposed Policy

APPENDIX 3

NB: The examples given refer to the figures provided in Appendix 2.

A household will be recommended **council tenancy** as their sole rehousing route if:

- a) they are unable to afford to purchase a 25% share in a suitable sized property OR
- b) they cannot afford to purchase more than a 25% share AND
- c) they cannot afford the ongoing costs of shared ownership at 25%.

For example:

- i) After having paid back their mortgage and any other secured liabilities, a couple requiring a two bedroom home are left with £25,000 from the proceeds of the repurchase and the homeloss payment. They do not have any savings. The household is permitted to retain £16,000 of this amount which the council disregards it in its financial assessment. They are able to fund a mortgage of £30,000. The total amount they can put towards the purchase of another home is £39,000 (£25,000 - £16,000 + £30,000). However, because a 25% share of an average two bedroom property from the council's own stock would cost £48,750, they would be recommended for council tenancy.
- ii) A single lady requiring a one bedroom home is left with £58,000 from the proceeds of the repurchase and the homeloss payment and after paying back her mortgage. She has savings of £10,000 and would therefore have £52,000 to put towards the purchase of another home after deducting the £16,000 retention (£58,000 + £10,000 - £16,000). She would therefore be able to afford to buy a 25% share in a one bedroom home worth £180,000 even without a mortgage. However, her remaining income after paying for her costs of living (council tax, personal loans, food, clothing, subscriptions, utilities and other bills, etc) is less than £200 per month and would not cover the ongoing costs of a 25% shared ownership purchase of that property which is calculated to be £364.04. She would therefore be recommended a council tenancy.

A household will be recommended **shared ownership** as their sole rehousing route if:

- a) they cannot afford to purchase more than a 25% share AND
- b) they are able to afford the ongoing costs of shared ownership at 25%.

For example:

After discharging their secured liabilities, a family requiring a three bedroom home is left with £40,000 from the proceeds of the repurchase and the homeloss payment. They have savings of £20,000 and can afford a mortgage of £30,000. They would therefore have £74,000 to put towards the purchase of another home after the deduction of the £16,000 retention (£40,000 + £20,000 + £30,000 - £16,000) and can afford to buy a 25% share of a property worth £235,000 but cannot afford to buy a 50% share. Their income is such that they are left with £600 after paying for their costs of living and the mortgage. They can therefore afford the ongoing costs of shared ownership at 25% which are calculated to be £474.78 and would be recommended this as their rehousing route.

A household will be recommended **shared equity** as their sole rehousing route if:

- a) they are able to afford to purchase at least a 50% share AND
- b) they cannot afford the ongoing costs of shared ownership at 50% BUT
- c) they can afford the ongoing cost of paying the leasehold service charge and ground rent under shared equity terms.

For example:

An elderly couple requiring a one bedroom property have paid off their mortgage and have no further secured liabilities. They will receive £135,000 from the proceeds of the repurchase and the homeloss payment. They have savings of £20,000. They cannot obtain another mortgage due to their age. They would therefore have £139,000 available to them to purchase another home after the deduction of the £16,000 retention (£139,000 + £20,000 - £16,000). However, their monthly income is made up of state pensions and a small private pension and after considering their costs of living, they have only £220 remaining. They would therefore not be able to afford the ongoing costs of purchasing a 50% share on shared ownership terms which would cost £278.08. However, they would be able to afford the ongoing costs on shared equity terms and would be recommended this rehousing route. They would be required to purchase the largest share they could afford (to the nearest 10%) so if they were purchasing a property worth £180,000, they would need to buy a 70% share (worth £126,000) but would be able to retain the difference of £13,000.

A household will be recommended a **choice of either shared ownership or shared equity** as their rehousing route if:

- a) they are able to afford to purchase at least a 50% share AND
- b) they can afford the ongoing costs of shared ownership at 50%.

For example:

A family requiring a two bedroom property will receive £70,000 from the proceeds of the repurchase and the homeloss payment after paying off their mortgage and other secured liabilities. They have savings of £25,000. They are able to obtain a mortgage for £70,000. After the deduction of the £16,000 retention, they will have £149,000 available to purchase another home (£70,000 + £25,000 + £70,000 - £16,000). Their income is such that they will have £500 remaining after paying their monthly mortgage liability and considering their costs of living. This would enable them to afford to purchase on shared ownership terms at 25%, 50% or 75% and afford the ongoing costs at each of these levels. They would be able to choose at what level of shared ownership they wanted to buy. However, they would also have the choice to purchase on shared equity terms but would have to purchase the largest share they could afford (to the nearest 10%). If they were purchasing a property worth £195,000, they would need to buy a 70% share (worth £136,000) but would be able to retain the difference of £13,000.

Item No. 17.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Phase 1b and 1c Aylesbury Regeneration	
Ward or groups affected:		Faraday	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

This report is a further step on the road to regenerating the Estate. We have been acquiring properties from leaseholders by agreement but we have now reached a stage where to avoid delaying progress we will need to make a compulsory purchase order to ensure we achieve vacant possession of the site. This is essential to enable this part of the Estate to be transformed. We will continue to work with affected leaseholders to ensure they receive both the statutory compensation package they are entitled to and for those that are eligible, will seek to provide rehousing assistance which may be a shared equity, shared ownership or a council tenancy home.

The past four years has been a period of remarkable progress in the regeneration of the Aylesbury Estate. The Project previously failed to provide a clear means for the regeneration to move beyond Phase 1A. Since then, we have entered into a partnership agreement that is bringing forward the regeneration of 1-59 Wolverton and construction work is underway there. High quality new homes in Phase 1A have been completed, transforming the south west corner of the Estate. We have gone through the appropriate procedure and identified a long term partner in Notting Hill Housing Trust to bring forward the regeneration of the rest of the Estate; this report follows on from that. The job is far from done though and much hard work will be needed in the coming years to deliver the complete regeneration that the community both demands and deserves.

RECOMMENDATIONS

That the cabinet

1. Agrees for the council to make a Compulsory Purchase Order (“Order”) under section 226 (1) of the Town & Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of the land and new rights within the area edged hatched on the plan at Appendix One for the purpose of delivering the regeneration of the Aylesbury Estate in accordance with the provisions of the Aylesbury Area Action Plan.
2. The head of property be authorised to:
 - a) Take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Order including the publication and service of all notices and the presentation of the council’s case at Public Inquiry should one be called

- b) To acquire all interests in land within the compulsory purchase order area either by agreement or compulsorily
- c) Approve agreements with land owners setting out the terms for the withdrawal of objections to the Order, including where appropriate seeking exclusion of land from the Order and
- d) Amend the boundaries of the Site shown hatched on the plan at Appendix One should the need arise.

BACKGROUND INFORMATION

3. On 9 February 2010 the Executive approved a resolution authorising the making of one or more compulsory purchase orders in respect of various sites on the Aylesbury Estate including the land which is the subject of this report. That particular resolution also covered other sites including 1-59 Wolverton (Site 7 on the plan appended to the 9 February 2010 report) where an Order was made in 2012 and confirmed by the Secretary of State for Communities and Local Government following a Public Inquiry last year.
4. The principle of making this Order is therefore standing policy. Since the earlier resolution significant progress has been made with the regeneration of the Aylesbury Estate. As mentioned above, an order has been made and confirmed in respect of Site 7 and work is now underway on that site. The cabinet on 28 January 2014 selected Notting Hill Housing Trust (Walworth Unlimited) as the preferred development partner to proceed with the regeneration of the remainder of the estate. A development partnership agreement is currently being negotiated setting out the process of regeneration pursuant to which, this site will be the first to be redeveloped. That agreement will set out the basis on which planning permission will be applied for.
5. The site in question is included within the The Aylesbury Area Action Plan and covers 1 – 28 Arklow House, 42-256 Bradenham, 1-149 Chartridge, 1-172 Chiltern and 370 Albany Road. All but the last property are residential dwellings. The last property is approved premises operated by the Probation Service
6. 370 Albany Road serves as accommodation for Probation Service clients. The property is shown cross-hatched on the plan at Appendix One. It is held on a long lease under a complex ownership arrangement involving the London Probation Service and the Ministry of Justice. It is Crown property and cannot be subject to a compulsory purchase order unless the Home Secretary agrees to its inclusion. If the property is included within the Order land it can be subsequently excluded if such agreement is not possible. Alternatively, the Secretary of State may confirm the Order in part pending such an agreement between the council and Home Secretary.
7. The inclusion of 370 Albany Road is considered on balance a better option than its exclusion because whereas land included within a compulsory purchase order can be subsequently removed, land cannot subsequently be added to the Order. It is highly desirable in terms of getting the Order confirmed that the land within it corresponds with the land that will be subject to the planning application that will provide for the intended regeneration.
8. It is clear however that to achieve this part of the Aylesbury regeneration agreement will have to be reached with the Ministry of Justice for the surrender of the leasehold interest in this property.

9. Discussions are underway with the Ministry of Justice and it is hoped that this agreement will be reached in the near future.
10. The council is close to completing an EU procurement exercise to select a development partner to deliver the regeneration of this site and the wider Aylesbury area. As previously mentioned, on 28 January 2014 cabinet approved the selection of Walworth Unlimited as the preferred partner. It is planned that the Development Partnership Agreement will be finalised by April 2014.

KEY ISSUE FOR CONSIDERATION

11. This phase contains 566 dwellings; of these twenty-eight are held by leaseholders. Negotiations to acquire these leasehold interests by agreement have been taking place since December 2008 and have enabled forty-six properties to be purchased. The council's aspiration to deliver the regeneration of the phase cannot be achieved without acquiring all the leaseholds. Negotiation will continue with leaseholders but without a compulsory purchase order it is unlikely that all these interests can be acquired; indeed some leaseholders have stated they will remain until an order is made. The making of a compulsory purchase order is therefore essential to enable this phase of the Regeneration to proceed.
12. The Development Partnership Agreement between the council and Walworth Unlimited will require the partner to prepare and submit a detailed planning application for the site as part of an outline application for the wider area. It is expected that this application will be submitted in September 2014.

Underlying information in resolving to make these compulsory purchase orders

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

Community impact statement

14. The effect of the negotiated acquisition or compulsory purchase order will be to dispossess persons of their rights in land. This is a necessary process to ensure the redevelopment and regeneration of the Aylesbury Estate can proceed. This is considered acceptable where the proposals are in the public interest and where, as in this case, the advantages of regeneration substantially outweigh the disadvantages to those dispossessed.
15. The regeneration of the Aylesbury Estate will have benefits to not only the immediate community but also the Borough as a whole in that it will act as a catalyst to further investment. It is therefore necessary to balance the benefits that will be provided by the regeneration against the possible impact to those with an interest in the affected land. In carrying out this exercise, a degree of proportionality is to be adopted. The Human Rights of these individuals have accordingly been considered and commented upon in this report.
16. As part of the production of the Aylesbury Area Action Plan an Equalities Impact Assessment was carried out and the formulation of the Plan had regard to the Assessment. The regeneration of the site in question and the need to exercise compulsory purchase powers flows from the Action Plan.

17. The furtherance of the regeneration will not negate the council's Diversity and Equal Opportunities policies. Indeed in the long term it is anticipated the diversity of the area will be widened.
18. Section 149 of the Equality Act 2010 requires the council to have due regard to the need to:
 - a. Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
19. The council must, in order to comply with this Public Sector Equality Duty, take steps to ensure that it considers equalities issues throughout the compulsory purchase process and has due regard to its duties under the Equality Act.

Consultation

20. There has been extensive consultation with Aylesbury Estate residents [including tenants and leaseholders] at all stages of the regeneration and the making of compulsory purchase orders has been included within this consultation.

Resource implications

21. The making of the Order will give rise to the following costs;

Estimated cost of property acquisitions	£8,200,000
CPO costs including Inquiry	£200,000
Estimated demolition costs	£8,300,000

22. Budget provision has been made within the existing capital programme for these items. The management of the leasehold acquisition and the demolition contract will be delivered by the Aylesbury and Property Teams using existing resources.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

23. Section 226(1)(a) of the Town and Country Planning Act 1990 ("the 1990 Act") is the appropriate power under which the council may seek to secure the compulsory purchase of the phase 1 sites including site 1b/1c. Consideration has been given to the "well-being" objectives under section 226(1A) of the 1990 Act in relation to the council's aspirations for the regeneration of the Aylesbury Estate. It is considered that the regeneration of the area will assist the council in promoting and improving the economic, social and environmental well being of the area and therefore there are adequate powers available to the council to acquire all the land and property interests in site 1b/1c either compulsorily or by agreement.
24. Ancillary powers to create new rights are also provided under s13 of the Local Government (Miscellaneous Provisions) Act 1976. The council also has power under section 227 of the 1990 or section 120(1) of the Local Government Act

1972 ("the 1972 Act") to acquire interests in this site by agreement with the owners. Further, by virtue of section 120(2) of the 1972 Act any properties acquired under the 1972 Act that are not required immediately for the purposes for which they have been acquired can be used in the interim for the purpose of any of the council's functions.

25. Part 3C of the council's constitution reserves to cabinet decisions on the acquisition of land and property where the market value exceeds £100,000 and the acquisition of land and property which involves the use of compulsory purchase orders.
26. Although the council's executive has already approved a recommendation to make a compulsory purchase order in respect of this site, the director of legal services advises that in the light of the passage of time and legislative changes it is considered desirable that the cabinet reaffirms the earlier decision.

Strategic Director of Finance and Corporate Services (FC13/089)

27. This report seeks approval for the council to make a Compulsory Purchase Order for the acquisition of the land and new rights within the Aylesbury Estate, in accordance with the provisions of the Aylesbury Area Action Plan. The financial implications are detailed in paragraphs 20 to 22.
28. The acquisitions and demolitions on this land are fundamental to moving forward with the regeneration of the Aylesbury Estate and are supported by provision within the council's capital programme. The clearance of these sites is a necessary prerequisite for the Aylesbury Area Action Plan.
29. The budget set aside for these phases will be closely monitored and updates will be provided to cabinet through the quarterly capital programme reports. Officer time to implement this decision can be contained within existing resources.

Strategic Director Housing & Community Services

30. Final Demolition Notices pursuant to Section 138B of the Housing Act 2004 (as amended) were served on all residents of 1 – 28 Arklow House, 42-256 Bradenham, 1-149 Chartridge, and 1-172 Chiltern on 21 March 2013. This was done in accordance with a special consent issued by the Secretary of State. This notice was an extension to a Final Demolition Notice which first became effective on 30 March 2011. The purpose of this notice is to end any active right to buy claim in these blocks.

BACKGROUND PAPERS

Background Papers	Held At	Contact
Area Action Plan		
Link http://www.southwark.gov.uk/downloads/download/1975/aylesbury_area_action_plan_accompanying_documents		
Report to Council Executive on 9 February 2010 and minute		
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=118&Mid=2837&Ver=4		
Minute 9 Cabinet 28 January 2014		
Link http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?AllId=31068		

APPENDICES

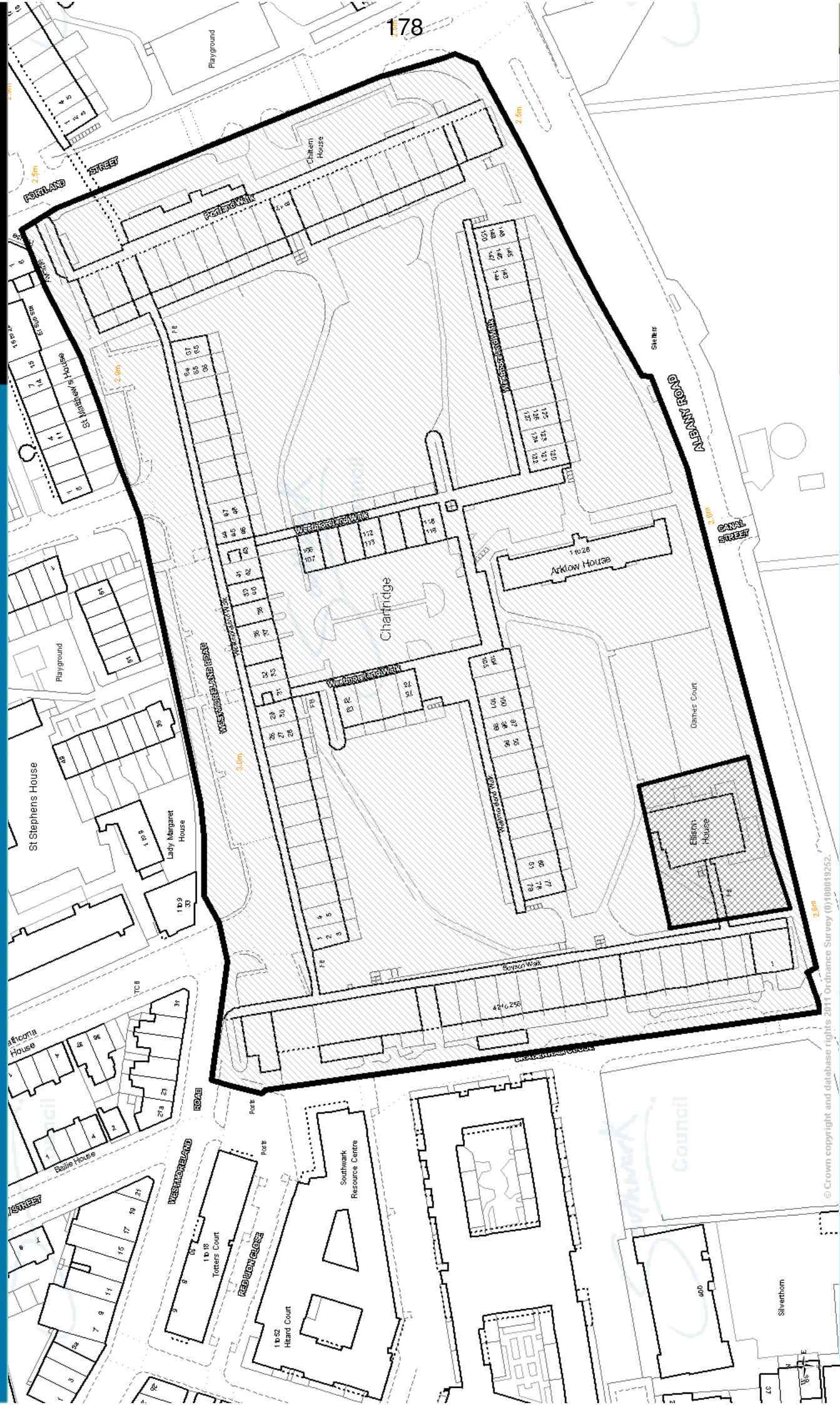
No.	Title
Appendix 1	Location plan showing Phase 1b and 1c
Appendix 2	Property schedule
Appendix 3	Procedural and legal matters

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Patrick McGreal, Property Services	
Version	Final	
Dated	6 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Strategic Director Housing & Community Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to ConstitutionalTeam	6 March 2014	

APPENDIX ONE: Phases 1B and 1C Aylesbury Regeneration

Date 16/1/2014



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APPENDIX TWO

**Aylesbury Phases 1b and 1c Compulsory Purchase Order
Property Schedule**

Properties to be included in Order area

Sites 1b and 1c	1 - 28 Arklow House	30 dwellings
	42 - 256 Bradenham	215 dwellings
	1 - 149 Chartridge	149 dwellings
	1 – 172 Chiltern	<u>172 dwellings</u>
		566 dwellings
	370 Albany Road	1 approved premises

Leaseholders in Order area

Sites 1b and 1c	1 - 28 Arklow House	3
	42 - 256 Bradenham	6
	1 - 149 Chartridge	13
	1 – 172 Chiltern	<u>5</u>
		27 leaseholders

APPENDIX THREE**Aylesbury Phase 1b and 1c Compulsory Purchase Order
Procedural and Legal matters****Acquisition of Leasehold Interests**

1. The Council holds the freehold interest of all the land within the area shown hatched on the Plan at Appendix One. The site contains a number of blocks of flats and maisonettes as well as approved premises.
2. The Housing Act 1985 gives qualifying Council tenants the right to buy their homes. Seventy-four tenants at these properties purchased their homes under these provisions.
3. The Council can only repurchase these leases in the following circumstances:
 - where there is agreement with the leaseholder; *or*
 - following a confirmed compulsory purchase order.
4. The statutory compensation code provides that a leaseholder is entitled to the following compensation following a compulsory acquisition:
 - the market value of the interest acquired;
 - a home loss payment; this is 10% of the market value where the leaseholder lives at the property or 7½% of the market value where the leaseholder lives elsewhere; and
 - a disturbance payment to cover the leaseholder's reasonable costs arising as a direct and natural result of the compulsory acquisition, this might include removal costs, legal fees, surveyors fees and adaptation expenses.
5. Where an acquisition takes place by agreement ahead of the exercise of compulsory purchase powers the leaseholder is treated in the same way and with the same entitlement as would be the case if there was a compulsory purchase order.

370 Albany Road [Ellison House]

6. The Aylesbury Area Action Plan includes within the Phase I area 370 Albany Road which serves as accommodation for Probation Service clients. The property is held on a long lease under a complex ownership arrangement involving the London Probation Service and the Ministry of Justice. It is Crown property and cannot be subject to compulsory purchase. It can be included within an Order but the Secretary of State will only confirm the part of the Order including Crown property where there is the agreement of the appropriate Minister in this case the Home Secretary.
7. Meetings have taken place with London Probation Service and the Ministry of Justice that indicate a willingness to work with the Council to achieve the regeneration aspirations whilst continuing to deliver their London wide services. The desired outcome of these discussions is an agreement for the surrender of long lease subject to the payment of a financial consideration that will be invested in other facilities in the London area

APPENDIX THREE**Aylesbury Phase 1b and 1c Compulsory Purchase Order
Procedural and Legal matters****Third party and statutory utility rights**

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

Outline of Compulsory Purchase Procedure*Resolution*

10. The Cabinet passes a resolution to make an Order. This is the purpose of this report.

Referencing

11. The Council assembles information that provides details of all owners, mortgagees, tenants and occupiers. This is to both identify what interests need to be acquired and who is entitled to receive a notification of the publication of the Order. This stage will enable the precise details of the Order areas to be determined. The boundaries shown edged red on the plan at Appendix One may need subtle amendment in the light of this and it is recommended that the Head of Property be given delegated authority to set the order extents.

Resolving planning and finance

12. In considering an Order the Minister needs to be confident that the proposals behind it are likely to come to fruition. In this connection s/he will need to be satisfied that there are no significant town planning or financial obstacles that will frustrate it. Since the regeneration being procured will be subject to compliance with the Aylesbury Area Action Plan planning should not be an issue. As regards finance for the regeneration, Walworth Unlimited has satisfied the Council that it has the funding in place to deliver the regeneration of the site to provide over eight hundred new homes.

Making the Order

13. The Council makes the Order, to a defined format. A schedule goes with the Order identifying ownership details of all land within it. A Statement of Reasons must also be prepared to accompany the Order. This is a critical document that may be challenged by objectors and therefore needs careful drafting. The AAP will be the backbone for the Statement of Reasons for the Aylesbury.

APPENDIX THREE

Aylesbury Phase 1b and 1c Compulsory Purchase Order Procedural and Legal matters

Publication of the Order

14. The Council serves notice of making of the Order on all owners, mortgagees, tenants and occupiers affected by it. A notice of the making of the Order has to be published for two successive weeks in a local newspaper.
15. The notices will advise objections to it can be made to the relevant Government Minister and specify an address for this purpose. The Order is then passed to the Government Minister.

Confirmation of the Order

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

Taking Possession

19. This can be achieved by either Notice to Treat/Notice of Entry or by using General Vesting Declaration procedure. The latter is considered the most appropriate for the Aylesbury as it transfers both the right to possession and title of the land to the Council.

Indicative Timescale

20.

■	Resolution to make the Order	
■	Referencing/Finance/Planning	12 weeks
■	Making the Order to Publication	6 weeks
■	Publication to Confirmation	40 weeks
■	Confirmation to taking Possession	18 weeks
21. Therefore we are looking at around a year and a half between making this resolution and obtaining possession; if there are complications it could be longer. It is assumed that there will be objections to the Order and that these will require protracted negotiations and/or a public inquiry to resolve. If a public inquiry is needed this will be called for and arranged by the Minister so the Council has little control over this process. Resource availability could cause this to be scheduled rather later than would be preferred and is a risk to be factored into project planning. If there are no objections or ones that are

APPENDIX THREE

Aylesbury Phase 1b and 1c Compulsory Purchase Order Procedural and Legal matters

quickly resolved the period between publication and confirmation could be significantly reduced.

Power to make a Compulsory Purchase Order

22. Section 226 of the Town and Country Planning Act 1990 is the recommended enabling provision in this instance for the purpose of compulsorily acquiring the interests required to progress the implementation of the regeneration of the site. The detailed application and use of this power is set out in paragraphs 38-49 below.

Policy Implications

Corporate

23. The regeneration of the Aylesbury Estate is a long standing Council policy. The making of the proposed Order will underpin this.
24. The regeneration of the Aylesbury Estate is a specified policy under the theme of “*Places Where People Love to Live*” in the *Corporate Plan 2009 – 2011*. It is also a “*Delivering Change*” policy of the Sustainable Community Strategy “*Southwark 2016*”.

Planning

25. The Council has adopted an Area Action Plan (AAP) for the Aylesbury estate and surrounding area. Together with the Core Strategy, the AAP will replace the Southwark Plan and all future planning applications will be assessed against these documents. The Order is a necessary tool to deliver the AAP.

Housing Strategy

26. The regeneration of the Aylesbury Estate is a key strategic housing priority both in terms of the new high quality housing to be delivered, and the reduced long term impact on the Housing Investment Programme. The commencement and successful delivery of Phases 1b and 1c is key to providing the rehousing capacity which enables the further Phases to be unlocked.

Rehousing requirements

27. The making of the Order is in pursuance of a scheme that will give rise to the need to re-house secure tenants and some leaseholders. The planned timescales for each Aylesbury rehousing phase takes into account the Council's capacity within the overall social housing supply, including the replacement social housing that the scheme itself will provide. The rehousing process will be managed by use of Housing Supply and Demand model which will enable the balancing of competing high priority demands for housing across the period. Rehousing in regeneration schemes is regulated by the Council's lettings policy. The policy provides a choice for tenants between rehousing to a new RSL property built as part of the scheme or to an existing

APPENDIX THREE

Aylesbury Phase 1b and 1c Compulsory Purchase Order Procedural and Legal matters

property elsewhere in the Borough. Initially, rehousing will be managed through choice based lettings, i.e. tenants bidding (with the highest priority and in date order of their priority) under the *Homesearch* scheme, until programme requirements necessitate the use of proactive rehousing, including if necessary court proceedings.

Property

28. The Council has over the past five years been endeavouring to acquire by agreement leaseholds to move the scheme forward. The passing of this resolution will encourage leaseholders to enter into meaningful negotiations. Once the Leaseholder Assistance Scheme as specified in the Leaseholder's Toolkit becomes operative later this year it is anticipated that the rate of acquisition will accelerate as issues faced by resident leaseholders with limited wealth can be resolved.

Financial Implications

29. The estimated net cost of acquiring the third party property interests is £8.2million at present value levels. There is provision in the Aylesbury capital programme for this expenditure. There will be staff resource costs in taking the Order to completion, relocating tenants and acquiring property interests for which there is also provision in the overall project programme.

Legal Implications

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

"Facilitate the carrying out of development, redevelopment, or improvement on, or in relation to, the land being acquired and it is not certain that they will be able to acquire it by agreement."

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

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

(a) The promotion or improvement of the economic well being of their area;

(b) The promotion or improvement of the social well being of their area;

APPENDIX THREE

**Aylesbury Phase 1b and 1c Compulsory Purchase Order
Procedural and Legal matters**

(c) The promotion or improvement of the environmental well-being of their area."

32. It is considered that the use of this section is therefore most appropriate having regard to the Council's aspirations for Phases 1b and 1c of the Aylesbury regeneration. The interests to be acquired by the Order are required in order to permit the redevelopment and regeneration of the area to take place. The proposal also satisfies the "well being" element of the Act in that the regeneration of Phases 1b and 1c of the Aylesbury Estate is clearly required in order to provide a better standard of accommodation for residents compared to its current state and to create a sustainable and diverse community, the provision of new facilities which are able to meet the needs of the area, together with commercial uses which will assist in attracting investment and growth opportunities to the area. Thus the proposals will inevitably assist in promoting the social economic and environmental well being of the area.
33. Appendix A of Circular 06/2004 ("Compulsory Purchase and the Crichel Down Rules") sets out the circumstances in which this power may be relied on by a local authority for the purposes of compulsorily acquiring land. It recognises that compulsory purchase powers under the Act provide a "positive tool" to local authorities in assisting them to acquire and assemble land where it is necessary to implement the proposals set out in the community strategies. It is now no longer the case that a planning permission need have been granted in order to justify the making of a compulsory purchase order under this section. Indeed paragraph 15 of the Circular states:
- "It is also recognised that it may not always be feasible or sensible to wait until the full details of the scheme have been worked up and planning permission obtained, before proceeding with the Order."*
34. Instead the circular advocates progressing and justifying a compulsory purchase order against a clear strategic framework and that the acquiring authority is able to confirm there are no planning hurdles or other impediments to the implementation of the scheme.
35. For the purposes of confirming a compulsory purchase order, the guidance identifies considerations which will be taken into account by the Secretary of State in making such a decision, namely:
- (a) *The purpose for the land being acquired fits in with the adopted planning framework for the area or where not such up to date framework exists, with the core strategy and any relevant Area Action Plan in the process of preparation in full consultation with the community;*
 - (b) *The extent to which the proposed plan will contribute to the achievement of the promotion or improvement of the economic social or environmental well being of the area;*

APPENDIX THREE

Aylesbury Phase 1b and 1c Compulsory Purchase Order Procedural and Legal matters

- (c) *The potential financial viability of the scheme for which the land is being acquired, a general indication of funding intentions and commitments from third parties should suffice; and*
- (d) *The purpose for which the acquiring authority is proposing to acquire the land could be achieved by other means.*
36. Paragraph 1.1 of the adopted Aylesbury Area Action Plan provides:
- “The redevelopment of the Aylesbury Estate will create a new neighbourhood that will radically change the lives of everyone in this part of south east London. This is a once in a generation opportunity to improve the quality of life for everyone living in the area.”*
37. Having regard to the guidance, the primary aims of the Council in progressing the Order (and ensuring its success if considered by the Secretary of State) should include the following:
- (i) Procure and secure an appropriate delivery partner
 - (ii) Obtain any other order which may be required as part of the development proposals. It may be that various stopping up orders will be required and the Council should seek to progress these so far as it is possible.
38. As is already set out in this report, officers will continue to seek to negotiate the acquisition of interests by agreement rather than relying solely on the compulsory acquisition powers available. Section 120 of the Local Government Act 1972 contains wide powers for local authorities to acquire land by agreement for any of their statutory functions or for *‘the benefit, improvement or development of their area’*. Section 227 of the Town and Country Planning Act 1990 also enables a council to acquire land by agreement for facilitating the carrying out of development, redevelopment of improvement and for the social economic and environmental well being of the area. It is considered therefore that there are adequate powers available to the Council to secure outstanding interests in the land by Agreement.
39. Other rights may also be required in order to progress the aspirations of the Aylesbury Area Action Plan. For this reason it is recommended that the Council also acquire/create new rights for the purposes of craneage oversailing. Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 is applicable in this regard and will enable the Council to acquire/create such new rights as may be necessary to facilitate the development taking place.
40. Demolition notices have been served on relevant dwellings within Phases 1b and 1c of the Aylesbury regeneration area. This will ensure that no further tenants are able to exercise their right to buy which will minimise the Council's exposure in terms of new interests being created in the site whilst the Order is being prepared and progressed.

APPENDIX THREE**Aylesbury Phase 1b and 1c Compulsory Purchase Order
Procedural and Legal matters**

41. The initial stage of the compulsory purchase process will be to ensure that the Council correctly identifies all necessary interests in the Order land that need to be incorporated within the schedule of the Order. As the Council is the freeholder much of this information should be readily available. Nonetheless it is advised that formal requisitions for information should be served on all known owners, mortgagees and occupiers of each property to be subject to the Order pursuant to Section 5A of the Acquisition of Land Act 1980. It is important that the Council takes all reasonable steps to ensure that all interests are properly captured in the Order and are properly notified, the requisition for information is a means of ensuring the Council fulfils this.
42. In the event that the Order is confirmed, the next stage will be to vest all necessary title in the Council. In these circumstances as has already been mentioned, the best means of doing so will be way of the General Vesting Declaration Procedure. This is something that can be carried out by the Council's legal advisors as and when this stage is achieved.

Human Rights Considerations

43. The Human Rights Act 1998 incorporated into domestic law the European Convention on Human Rights ("the Convention").
44. In proposing the Order the Council has duly considered the rights of property owners under the Convention, notably under the following Articles: *Article 1 of the First Protocol*. This protects the right of everyone to the peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international law.
45. The Council has also considered the rights contained within Article 8 of the convention, which protects private and family life, home and correspondence. No public authority can interfere with these interests except if it is in accordance with the law and is necessary in the interest of national security, public safety or the economic well being of the country.
46. In relation to these Convention rights the Council has been conscious of the need to strike a balance between the rights of the individual and the interest of the public. In light of the significant public benefit that would arise from the regeneration of Aylesbury Estate it will be appropriate to make the Order, if the relevant leaseholder interests cannot be acquired by agreement. Objections can be made against the Order that will then have to be considered by the Secretary of State before he decides whether or not to confirm the Order.

Community Impact Statement

47. The effect of the negotiated acquisition or compulsory purchase order will be to dispossess persons of their rights in land. This is a necessary process to ensure the redevelopment and regeneration of the Aylesbury Estate can proceed. This is considered acceptable where the proposals are in the public interest and where, as in this case, the advantages of regeneration substantially outweigh the disadvantages to those dispossessed.

APPENDIX THREE**Aylesbury Phase 1b and 1c Compulsory Purchase Order
Procedural and Legal matters**

48. The regeneration of the Aylesbury Estate is considered to have benefits to not only immediate community but also the Borough as a whole in that it will act as a catalyst to further investment. It is therefore necessary to balance the benefits that could be provided by the proposed scheme against the possible impact to those with an interest in the affected land. In carrying out this exercise a degree of proportionality should therefore be adopted. The Human Rights of these individuals have accordingly been considered and commented upon in this report.
49. As part of the production of the Aylesbury Area Action Plan an Equalities Impact Assessment was carried out and the formulation of the Plan had regard to the Assessment. The regeneration of the site in question and the need to exercise compulsory purchase powers flows from the Action Plan
50. The furtherance of the regeneration will not negate the Council's Diversity and Equal Opportunities policies. Indeed in the long term it is anticipated the diversity of the area will be widened.
51. Section 149 of the Equality Act 2010 requires the Council to have due regard to the need to:
 - a. Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
52. The Council must, in order to comply with this Public Sector Equality Duty, take steps to ensure that it considers equalities issues throughout the compulsory purchase process and has due regard to its duties under the Equality Act.

Consultation

53. There has been extensive consultation with Aylesbury Estate residents [including tenants and leaseholders] at all stages of the regeneration and the making of compulsory purchase orders has been included within this consultation.

Item No. 18.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval Directly Funded Housing Delivery (Phase 2) - Procurement of Professional Services and Construction Works for Various Sites	
Ward(s) or groups affected:		Chaucer, Rotherhithe, Nunhead Peckham, Newington Grange, Livesey, South Bermondsey, Cathedrals, Camberwell Green, The Lane, East Walworth,	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

Adoption of the approach recommended in this report will enable further progress of the Direct Delivery Programme to build the first 1000 new council homes. It will also support the work to develop the long term housing investment plans and asset management strategy as agreed by cabinet in January 2014.

The creation of two new framework arrangements will establish the mechanism for the Direct Delivery of new homes in the medium term, with the council able to directly manage the appointment of technical advisors, such as architects and building contractors who are most suitable to the range of schemes that will come forward.

Progression of the initial stage of the programme has been possible through the use of external procurement measures, introducing flexibility, speed and consideration of the best approach at the initiation stage. This approach has carried us through thus far and will be considered as an option to take us through the initial design stage of phase 2a in the short term.

As well as the provision of new homes, the programme will also provide additional social and economic benefits such as employment and training opportunities for local residents and opportunities for local small and medium enterprises (SME) businesses.

RECOMMENDATIONS

Recommendations for the Cabinet

1. That cabinet approve the procurement strategy contained in this report i.e. to set up a framework arrangement for consultancy services to support the delivery of phase 2b of the directly funded programme at an estimated value of £4.2m for a period of 4 years.
2. That the cabinet approve the procurement strategy contained in this report i.e. to set up a framework arrangement for construction works to support the delivery of phase 2a and phase 2b of the directly funded housing programme at an estimated value of £64m for a period of 4 years.

3. That the cabinet approve the inclusion of additional consultancy services and construction works as possible options in OJEU notice for these 2 frameworks to cover future phases of the Direct Delivery programme (with a estimated value of £290m) and wider council requirements (with an estimated value of £30m) as detailed in paragraph 26 but noting that any use of the frameworks for these additional services/works will be subject to separate reports.
4. That the cabinet agrees that Gateway 2 decisions to set up frameworks and later call offs for consultancy services and construction works relating to phase 2 due to be considered by cabinet are delegated to the chief executive.

Recommendation for the Leader of the Council

That the Leader

5. Agrees that if the scope of work changes i.e. the sites within the phases are altered, that these decisions are delegated to the cabinet member for regeneration and corporate strategy or another relevant cabinet member.

BACKGROUND INFORMATION

6. Approval for the progression of the council's directly funded housing delivery programme as part of the commitment to build 11,000 new council homes in the next 30 years was agreed by cabinet in October 2012. In January 2014, the Cabinet also noted the recommendations for long term housing investment made by Savills UK, and instructed the Strategic Director of Housing and Community Services to further develop the investment plan and take appropriate action to build up the necessary development capacity to deliver the plan. Work is under way to progress the development of the new 30 year housing strategy, the 30 year asset management strategy and delivery of new homes into a consolidated approach.
7. Multi disciplinary consultancy services and construction works for Phase 1 (a&b) were procured through the Improvement and Efficiency South East i/ESE/ Government Procurement Services (GPS) consultancy and construction framework arrangements.
8. Consequently phase 1a and 1b consisting of 10 sites are currently underway and in various stages of development. The main scheme at Willow Walk is currently on site; planning approval has been obtained for three of the phase 1b sites and is currently being sought for the remainder. All phase 1b schemes are scheduled to start on site mid 2014.
9. On 22 October 2013 cabinet agreed in principle that the schemes listed in paragraph 45 of the Direct Housing Delivery phase 2 report are worked up in accordance with the individually identified recommendations as Phase 2 of the overall programme for direct delivery of new council housing on council owned sites. A table of the phase 2 sites is attached at appendix 1.
10. Following on from the approach taken in phase 1, the community and economic benefits of the programme such as the provision of employment and training opportunities for local residents will be an integral part of the delivery of phase 2 schemes.

11. It is proposed that phase 2 schemes are packaged as follows:
- Phase 2a – Joseph Lancaster Nursery annexe, Canada Estate site, Daniel's Road site and the site of the former library at Albion Street.
 - Phase 2b – Weston St garages, Colombo St, Goschen Est sites, Pelier Street, 95a Meeting House Lane, Welsford Street garages, Lugard and Fenham Road garages, Tenda Road car park, 35-41 Nunhead Lane, Kinglake St garages and Commercial Way (see appendix 1).
12. The proposed procurement strategy is to establish separate arrangements to achieve a consolidated approach.
13. Phase 2a consultancy works are to be delivered separately through an existing procurement arrangement i.e. a suitable internal or external framework arrangement or through use of the councils approved list. These services are being procured in this way to enable an early start on these projects.
14. The newly established consultancy and construction frameworks as outlined in this report will be utilised to deliver:
- Phase 2a – Construction works
 - Phase 2b – Consultancy Services and Construction works.
15. The estimated value of the various phases are outlined below:

Phase	Estimated fees – consultancy services	Estimated value of construction works
Phase 2a	£2.1m*	£21.0m
Phase 2b	£4.2m	£43.3m

Note:

A – *Phase 2a consultancy works are to be delivered separately.

B - The estimated professional fees are based on 10% of the estimated value of the construction works.

C - The build costs are based on an estimated unit cost of £200k per unit in each phase as outlined in appendix 1.

16. This report therefore seeks approval to procure consultancy services and construction through the establishment of two framework arrangements.

Summary of the business case/justification for the procurement

17. In October 2012 Cabinet agreed in principle to the council's directly funded housing delivery programme and the provision of new affordable homes in the borough within the financial limits and eligibility criteria for the affordable housing fund as set out within that report and the council's planning policy agenda.
18. On the 22 October 2013 Cabinet considered a report outlining phase 2 of the programme and agreed in principle to the further development of 18 sites earmarked for inclusion in this phase, as referred to in paragraph 9.
19. The following services are required in order to progress these sites from design to completion:

- Consultancy services to include lead consultant, architecture, civil engineering, building services, structural engineering, landscape architecture, cdm coordination and sustainability assessment, quantity surveying and other professional services as required.
- Construction - Enabling works such as demolition, utility surveying and disconnection, asbestos surveying and removal; pre construction works including development of design beyond initial design stages and tendering and main construction works.

Market considerations

20. The UK construction industry has experienced an upturn in construction activity in London and the South east since the procurement of construction services for phase 1b, particularly in the house building sector which has led to signs of overheating in the industry. This could inevitably lead to a reduction in the interest and capacity of the larger house builders in the long run. We therefore seek to reach a range of construction companies through the establishment of a construction list which would alleviate some of the affects of this.
21. Another consequence of the overheating of the industry is the likely uplift in build costs and values of the end product. Experience of the development and design of phase 1 schemes has revealed an increase in build costs over time, which has in turn led to an overall increase in professional fees which are based on a percentage of scheme cost.
22. An increase in the value of completed units for sale would be beneficial for the private units being constructed for sale via the programme. This could attract house builders with development arms with an interest in taking a lead developer role.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

23. Contractors appointed to complete phase 1a and 1b enabling works; pre construction works and main construction works were procured via the iESE/GPS contractor framework.
24. The consideration of the procurement arrangements for phase 2 provides the opportunity to review the approach taken thus far and to build on the lessons learnt. It also provides the opportunity to consider a longer term solution going forward.
25. The use of external framework arrangements thus far has allowed the council to build momentum and to begin development of phase 1 of the programme in a relatively short timescale. However this approach is limited by the availability and suitability of such frameworks and the constituent suppliers and the fact that these would not have been awarded or designed to deal specifically with Southwark's requirements. The establishment of two new tailor made framework arrangements with a four year life will ensure access to multi disciplinary professional services and construction from a range of organisations with sufficient experience and capacity to deliver phase 2 and future phases of the Direct Delivery programme as well as other wider council requirements and more

closely meet the Council's needs, and increase assurance around the delivery process.

26. The estimated value of delivering further tranches amounting to 1,250 council homes and 200 private homes required through planning policy, and meeting other requirements beyond the Direct Delivery Programme is £320m.
27. The sole use of external framework arrangements for phase 1 has resulted in a primarily project management led programme rather than one which is design led by architects, even though in the stages leading up to planning consent, design work is at the core of the process. It is considered that the Council's requirements can be more readily achieved by placing the design and coordination function at the forefront of the process; therefore it is proposed that the newly established Consultancy Framework providing multi disciplinary services is structured to enable the formation of a design led team from the outset; in order to ease the transition from the initial design stage through to construction. This will also allow for the possibility of the novation of the initial architect to the contractor, where this is considered to be of advantage to the council in terms of securing quality assurance in the construction process.
28. It is anticipated that the construction framework agreement will attract a range construction companies of varying sizes, including locally based companies with the capacity and experience to deliver an entire lot or a small scheme within a lot.

Proposed procurement route

29. The proposed procurement route for phase 2b and future phases of the programme is to establish two new framework arrangements procured in parallel to the arrangements for phase 2a via the European Union Restricted Procedure. This is to cover both the technical services and the construction works to support the delivery of the programme. The services framework will be sub divided into lots to cover the full range of technical disciplines required. The quantity surveying services will be separated out to ensure there is no conflict of duties in this area. The construction framework will be sub divided into a minimum of two lots covering larger and smaller packages of work. The detail of the framework lots are currently being developed and the Project Board (Chaired by the Director of Regeneration) will approve the detail.
30. It is anticipated at this stage that the Consultancy Framework will consist of 2 lists but it is proposed that the detail of the structure of the framework (and evaluation methodology) is agreed by the Project Board before expressions of interest are sought once a future analysis of the best structure for the framework is considered. This framework will provide access to the following services:
 - i. Lead consultant
 - ii. Architect
 - iii. Building Services Engineers
 - iv. Structural Engineers
 - v. Landscape Architects
 - vi. Civil Engineering
 - vii. CDM Coordinator
 - viii. Code for Sustainable Homes

31. It is anticipated that the framework will also consist of practices that are able to provide Quantity Surveyor (QS) services for two functions. The first is acting as independent cost consultancy adviser. The QS will be required to act independent cost consultants and be able to offer strategic cost advice and market intelligence.
32. The secondary role will be to act as employer's agents providing supervision for the council's interests post contract in terms of contract administration and cost management.
33. Multi disciplinary practices will be permitted to submit proposals for both the lead consultant role and the quantity surveying role but can only be appointed to one or the other.
34. The provisional construction values for the Consultancy framework for services provided will be based on a fee value above or below £500,000. The breakdown of fee percentage is to be based on RIBA work stages as set out in the RIBA Plan of Work.
35. It is anticipated at this stage that the Construction framework will consist of 2 lists, but it is proposed that the detail of the structure of the framework (and evaluation methodology) is agreed by the project board before expressions of interest are sought once a future analysis of the best structure for the framework is considered. This framework will provide access to the following works:
 - Enabling works– including demolition; site security such as the installation of hoarding; the detection and removal of asbestos, undertaking underground surveys – subject to the need on individual sites
 - Pre construction works – working up designs beyond RIBA stage D; tendering for works etc
 - Main construction works
36. Pre construction duties will include rates for management fees and rates for the design team. The value of construction work will be based on elements of core costs such as overheads and profit, insurance, management, design team and other appropriate preliminaries items.
37. The establishment of two lists within the construction framework will provide the opportunity for smaller local smaller local construction companies to compete for smaller schemes within the programme.
38. The scope of the council's ambitions is that the formation of the two framework arrangements and the packaging of the scheme will prove attractive to a range of constructors and technical advisers. Particularly as this provides the prospect of longer term involvement with some certainty about scale, enabling resource planning and price efficiency.
39. This procurement strategy is geared to developing robust delivery arrangements primarily through the main exercise of establishing the frameworks. There will be a single Gateway 2 to approve the providers that will appear on the framework, and subsequent Gateway 2 reports to deal with the award of contracts through the framework. To ensure that the framework arrangements are able to put to use as soon as they are available, a range of scheme development activities will be taking place in parallel through the phase 2a arrangements outlined in

paragraph 13. These will be subject of either a number of specific gateway approvals or a single overarching gateway approach with the approval for specific packages delegated to the Project Board.

40. When establishing a framework arrangement it is necessary as part of the procurement process to fully detail any options or additional services/works which might fall within the framework, otherwise any additional use might be subject to procurement challenge. It is therefore intended to note in the OJEU notice that additional services/works might be added to this framework at the future date, subject to approval, details of which are noted in paragraph 3.

Identified risks for the procurement

41.

	Risk	Risk level	Mitigation action
1.	Insufficient skill and expertise in team.	Low	<ul style="list-style-type: none"> • Clear project plan • Range of training and use of expert advice /training, • range of individuals in team at peak times • overall organisation and monitoring requirements
2.	Insufficient market interest	Low	<p>Undertake market analysis to ensure sufficient capacity for services and construction and validate attractiveness.</p> <p>Advertise widely emphasising council's commitment to long term delivery and range of opportunities available.</p> <p>Hold bidders' days</p>
3.	Delays in the procurement process affect framework start dates	Low	<p>Ensure access to expert advice on framework creation in early stages.</p> <p>Tailor exercise to meet objectives of flexibility in delivery, but with an efficient procurement structure.</p> <p>Make sure sufficient officers are allocated to workload.</p> <p>Careful forward planning of processes.</p>
4.	Tender process does not result in good VFM outcome.	Low	<p>Demonstrate existence of clear client requirements, to minimise need for in-contract variations. Set clear standard of VFM requirements.</p> <p>Communicate VFM standards clearly to renderers from outset.</p>

	Risk	Risk level	Mitigation action
			Robust criteria process for evaluation submissions against VFM criteria.

Key /Non Key decisions

42. This is a key decision.

Policy Implications

43. The new homes delivered through phase 2 of the Direct Delivery Programme are in line with the council's principles and vision for a new housing strategy which is aimed at increasing the availability, affordability and quality of homes in the borough and will assist in contributing to the following targets:

- Policy 5 of the Core Strategy sets a housing target for the borough of 24,450 net new homes between 2011 and 2026 (1,630 per year).
- The London Plan sets the borough a housing target of 20,050 net new homes between 2011 and 2021 (2,005 per year).
- Core Strategy policy 6 sets an affordable housing target of 8,558 new affordable housing units between 2011 and 2026.

Procurement Project Plan (Key Decisions)

Activity	Complete by:
Forward Plan (if Strategic Procurement)	01/01/2014
DCRB/ CMT Review Gateway 1	03/03/2014
CCRB Review Gateway 1	06/03/2014
Notification of forthcoming decision –despatch of Cabinet agenda papers	11/03/2014
Approval of Gateway 1: Procurement strategy report	18/03/2014
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	02/04/2014
Issue Notice of Intention	N/A
Completion of tender documentation	28/07/2014
Advertise the contract	01/08/2014
Closing date for expressions of interest	02/09/2014
Completion of short-listing of applicants	03/10/2014
Invitation to tender	16/10/2014
Closing date for return of tenders	25/11/2014
Completion of any interviews	02/02/2015
Completion of evaluation of tenders	26/02/2015
Issue Notice of Proposal	N/A
Forward Plan (if Strategic Procurement)	01/12/2014
DCRB/CMT Review Gateway 2:	09/03/2015
CCRB Review Gateway 2:	26/03/2015
Notification of forthcoming decision – despatch of Cabinet agenda papers	10/04/2015
Approval of Gateway 2: Contract Award Report	16/04/2015
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	27/04/2015
Alcatel Standstill Period (if applicable)	08/05/2015
Contract award	11/05/2015
TUPE Consultation period	N/A
Place award notice in Official Journal of European (OJEU)	18/05/2015
Contract start	11/06/2015
Contract completion date	10/06/2019
Contract completion date – (if extension(s) exercised)	N/A

TUPE/Pensions implications

44. Not applicable

Development of the tender documentation

45. A project team will be established to develop the full suite of tender documentation. This will include a clear definition of the Council's requirements for each site. In addition to the tender documentation, the project team will develop detailed guidance and procedures for the operation of the framework once it is up and running. This may include the use of mini competitions or direct call off or a combination of the two. The Project Board will approve all documentation in relation to the tender and the operation of the framework before these are issued to the bidders.

Advertising the contract

46. The proposal to establish two new LBS frameworks providing multi disciplinary professional services and contractor services will be advertised through Official Journal European Union and where applicable in local publications.

Evaluation

47. Expressions of interests received in relation to the Consultancy Framework will be evaluated by an internal officer team and short listed based on their economic and financial standing, technical ability and capacity as well as health and safety; previous relevant experience and deliverability; design experience and reference.
48. Short listed organisations will then be invited to tender for inclusion on the Consultancy Framework.
49. It is anticipated that Tenderers for consultancy services will be evaluated as follows with specific details to be agreed by project board. Price fee schedules will be required for each bandwidth of construction value and provide time charge rates in case of undefined services. These will be broken down by professional discipline. The evaluation of the price will be based on a pricing model that reflects the profile of the anticipated programme. A standard approach to converting tender prices into points will be adopted in consultation with the corporate procurement team.
50. The evaluation criteria will be finalised by the project board but it is anticipated that the following will be included:
- Programme understanding
 - Design strategy and approach (including previous experience)
 - Interface with Stakeholders
 - Employment and training strategy
 - Resource strategy
 - VFM approach
51. Expressions of interests received in relation to the Construction Framework will be evaluated by the project team and short listed based on their economic and

financial standing, technical ability and capacity as well as health and safety; previous relevant experience and deliverability; design experience and reference.

52. Short listed organisations will then be invited to tender for inclusion on the Construction Framework.
53. It is anticipated that tenderers for construction works will be evaluated as follows with specific details to be agreed by project board. Contractors' core costs will be applied to a pricing model that reflects the profile of the anticipated programme. A standard approach to converting tender prices into points will be adopted in consultation with the corporate procurement team.
54. The evaluation criteria will be finalised by the Project Board but it is anticipated that the following will be included:
 - Approach to collaboration
 - Relevant previous experience
 - VFM approach
 - Quality interface
 - Employment and training strategy
 - Approach to Stakeholder management
55. The selection panel will comprise the following officer representation from the Chief Executive's department.
 - Head of Regeneration- Housing Regeneration & Delivery,
 - Housing Supply Manager, Housing Regeneration and Delivery
 - Housing Investment Manager, Housing Regeneration and Delivery
 - Project Director, Project Services Delivery, Property Services (acting)
 - Project Manager, Project Services Delivery Team, Property Services
56. Once appointed to the frameworks, selection of those organisations on either of the framework lists for individual project commissions will be made primarily through further mini competition with a price and quality assessment. It is envisaged that in some cases, direct awards may be made subject to price and quality testing, for example where a continuation package is justified in a particular scheme.

Community impact statement

57. Southwark is a borough with high levels of deprivation, low median income levels, and high levels of housing need. Southwark's Housing Strategy 2009-2016 identified that there is a shortage of affordable housing in the borough, particularly of larger homes. Households from black and ethnic minority ethnic communities tend to be over-represented among those living in overcrowded, poor quality housing.
58. The cabinet recently agreed a new vision for a new thirty year housing strategy for Southwark for the period 2015-2045. This includes a principle to "use every tool at our disposal to increase the supply of all kinds of homes across Southwark."

59. The proposals to increase the supply of affordable, good quality homes will benefit households in need from all Southwark communities, and will increase the housing options available for older people and people with disabilities living in Southwark.
60. Those living in the vicinity of the new developments may experience some inconvenience and disruption in the short term, while works are taking place but such communities as a whole will benefit in the longer term from the provision of new homes. In local areas, the effects will be eased, in part by working closely with residents on the delivery process and also through the specific planning requirements to mitigate the effect of development in that local area.
61. In formulating these proposals, officers should have due regard to the requirements of the Public Sector Equality Duty under the Equality Act 2010 as should the decision makers as the process unfolds.

Economic considerations

62. The design briefs for the new homes have been developed in consultation with 'user client' officers and make it clear that the council is seeking developments that are not only attractive and functional in their design but also durable, easy to maintain with low running costs.
63. The successful professional services consultant and works contractors will be expected to deliver direct benefits to the local community and local residents. It is proposed that these benefits will be delivered through some or all of the following possible means:
 - Supply chain and procurement with local businesses;
 - Use of local labour and training initiatives, including a construction employment, skills and training scheme linked to the council's Building London Creating Futures Programme, which aims to match local residents with construction vacancies especially where these are linked to key development sites and regeneration activities;
 - A commitment to construction apprenticeships in proportion to the size and scale of the development; and
 - Corporate social responsibility and sustainability

Social considerations

64. The new housing will provide high quality affordable housing for local people in need of accommodation from the council's housing register.
65. The appointed contractors will carry out the works under the Considerate Contractor Scheme, which seeks to minimise disturbance and disruption in the locality during the construction phase.
66. The appointed professional services consultant and works contractors will pay their employees and sub-contractors not less than the current London Living Wage levels. The Direct Delivery programme is a strategically important undertaking for the council and its benefits are expected to be realised in a number of ways, including the recruitment of qualified staff, retention of staff and an improved service delivery to the Council. It is a natural expectation that the

payment of the London Living Wage, as an established council priority should be a prerequisite.

Environmental considerations

67. The Code for Sustainable Homes requirement will cover the construction process as well as design and specification and will set targets for minimising the adverse environmental impact of carrying out the works for each project.
68. The project briefs prescribe materials and components to be specified for the works. In terms of excluded construction materials, good practice is to be adopted.
69. A low energy, efficient and cost effective building engineering services design brief that keeps running costs to a minimum, will be an essential component of the project brief.

Plans for the monitoring and management of the contract

70. Arrangements for the management of the framework will be agreed by the Project Board (for procurement). The Project Board chaired by the Director Regeneration will consist of officers from the relevant departments including representatives from legal, finance and procurement. It is proposed that the arrangements for the Phase 1 will be replicated i.e. enabling and client oversight from Housing Regeneration & Delivery with project management by Capital Projects (both in Regeneration division).
71. As before this will include the establishment of a client project team to scrutinise and review progress. This will include monthly review of progress within the contract/s including costs, programme and quality.
72. The client officer team will use a range of mechanisms for monitoring and managing the financial and programme performance of the contact/s including:
 - i. A strategic cost plan
 - ii. Monthly financial statements by the quantity surveyor/contractor
 - iii. Monthly appraisals of progress against contract programme
 - iv. Monthly progress reports by the lead consultant; other design consultant and contractor
 - v. Monthly site meetings
 - vi. Risk and issue logs
73. Overall governance of the programme will be provided by the Programme Board in the form of the existing Housing Investment Board whose core membership is the Strategic Director of Housing and Community Services, the Strategic Director of Finance and Corporate Services and the Director of Regeneration.

Staffing/procurement implications

74. The project will be resourced by existing staff, within existing budgets. Officer time relating to the management of this project is funded from existing revenue budget resources.

Financial implications

75. The majority of these costs are expected to be funded from a combination of S106, capital receipts and grants. All funding will need to be confirmed prior to the award of contracts and other commitments.

Legal implications

76. Please see concurrent from the Director of Legal Services

Consultation

77. Consultation will be undertaken with tenant and resident associations and any other neighbouring stakeholders before design proposals are finalised. A thorough consultation exercise with local residents and T&RAs will be carried out throughout the design and the planning process. This will include a letter/leaflet drop, laminated notices, public meetings and open events. Additionally, the council will seek to consult with housing area management teams, a number of registered providers and private landlords.

Other implications or issues

78. There are no other relevant implications or issues.

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

79. This report is seeking to set up framework arrangements covering technical services and construction works to support the delivery of directly funded housing programme. Whilst these frameworks are intended primarily to support phase 2 of the programme, approval is also being sought to build in capacity to accommodate future phases and wider council requirements, should this need arise during the life of these arrangements.
80. The report confirms the on going need for support to be provided to the programme. Earlier phases have been supported by providers that were secured through external frameworks. Whilst this helped the programme gather momentum, officers have acknowledged that setting up Southwark specific frameworks will provide better focus on the councils needs and increase assurance around the delivery of the programme.
81. The detail of the procurement strategy e.g. the framework structure, operating rules and approach to evaluation is yet to be finalised. The report confirms however the governance arrangements that will be in place to support this procurement. A project board will oversee the project and also make the necessary decisions in relation to the operation of the framework. This will help ensure that the frameworks are set up to effectively meet the council's specific requirements.
82. The timeline for the procurement appears achievable provided adequate and appropriate resources are available when required. The project board, in overseeing progress of the procurement, will help ensure the procurement remains on target and is delivered on time.

Director of Legal Services

83. This report seeks the cabinet's approval to the procurement strategy for the directly funded housing delivery for phase 2 to establish 2 frameworks, as further detailed in paragraphs 1-3. As this is a strategic procurement (having an estimated contract value of over £15m for works and £4m for services) then the decisions to approve the procurement strategy is reserved to the cabinet.
84. The nature of the services and works to be procured are such that they are subject to the full tendering requirements of the EU procurement Regulations. As noted in paragraph 29, it is the council's intention to follow a full EU restricted procedure, so this requirement is met. It is proposed that 2 frameworks of providers (one for consultancy and the other for works) are established. However as these services/works are governed by EU procurement regulations the council must ensure that the procurement and later management of those frameworks is undertaken in accordance with the additional requirements of regulation 19 of the Public Contract Regulations 2006 which govern frameworks. This report confirms that the framework period will be for 4 years, which is the maximum permitted, and that the framework agreement will set out specifically how later call offs for individual pieces of work will be undertaken. A project board is to be established which will agree the detail of the procurement, and officers from legal services will continue to advise the project board and team as required.

Strategic Director of Finance and Corporate Services (FC13/099)

85. This report seeks cabinet approval to a procurement strategy that will set up framework arrangements for consultancy services and construction works to support the delivery of phase 2a and phase 2b of the directly funded housing programme. The financial implications are contained in the body of this report.
86. Phases 2a and 2b of the direct funded housing programme are contained within the council's capital programme. Prior to the award of any contract officers must ensure adequate funding is available. Progress will be reported through the regular capital budget monitoring reports to cabinet.
87. The strategic director of finance and corporate services notes the strategy to establish a framework arrangement will seek to achieve best value and not expose the council to financial risk as there will be no minimum contract levels. The cost of resources to implement this contract will be contained within current budgets.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Cabinet paper 22 October 2013 - Direct Housing Delivery: Phase 2	Southwark website	Tim Bostridge Housing Regeneration and Delivery, Regeneration 160 Tooley Street
Link http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf		

APPENDICES

No	Title
Appendix 1	Table of Proposed Phase 2 sites

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration and Corporate Strategy.	
Lead Officer	Stephen Platts, Director of Regeneration	
Report Author	Sonia Hamilton, Investment Strategy Manager	
Version	Final	
Dated	7 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	No
Head of Specialist Housing Services	No	N/a
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		7 March 2014

APPENDIX 1

Proposed Phase 2 Sites						
Site	Ward	Description	Number of Homes			Total
			Social Rent	Intermediate	Market	
Phase 2a						
Joseph Lancaster Nursery Annex, Deverill Street SE1	Chaucer	Disused council building. Single storey building and surrounding land.	14	2	0	16
Canada Estate various SE16	Rotherhithe	Parcels of land on estate.	51	6	0	57
Daniels Road Car Park SE15	Nunhead	Garages and parking on north side of Daniels Road.	7	1	4	12
Albion Street Civic Centre SE16	Rotherhithe	Former municipal building.	18	2	0	20
sub total			90	11	4	105
Phase 2b						
Weston St Garages, Kipling Estate, SE1	Grange	Garage site on estate in Leathermarket JMB management	22	3	0	25
Colombo Street SE1	Cathedrals	Long lease, LBS freehold - 2 storey GP surgery	18	2	0	20
Goschen Estate, ex T&RA Hall SE5	Camberwell Green	Single storey brick building to rear of Causton House.	2	0	0	2
Pellic Street, SE17			8	0	0	8
Causton Hse, Goschen Estate, Bethwin Road SE5	Camberwell Green	Sites adjacent to the railway, adjacent to block, row of sheds and space to rear of sheds.	8	1	5	14
Meeting House Lane 95a, SE15	Livesey	Disused council office building. Former Acorn NHO, on edge of Acorn Estate.	7	1	4	12
Welsford Street Garages SE1	South Bermondsey	Garages and car parking. Former E&C site. Consists of 30 garages with large informal car parking space to rear.	15	3	9	27
Lugard Rd Garages, SE15	Nunhead	Row of 7 garages & 3 parking bays. Sub station to rear of site.	5	0	0	5
Fenham Rd Garages SE15	Peckham	12 garages on the corner of Fenham Rd and Nutcroft Rd.	6	0	0	6
Tenda Rd Car park SE16	South Bermondsey	Car parking area on Wilmington Terrace.	7	1	4	12
35-41 Nunhead Lane SE15	The Lane	Site of former nursery fronting Nunhead Lane	6	1	3	10
Kinglake St. Garages SE17	East Walworth	2 storey garage block at southern edge of (New) Kinglake	7	7	0	14
Commercial Way SE15	Peckham	Former estate land. Two sites between Pentridge St & East Surrey Grove. Originally earmarked for tram.	34	6	21	61
Sub total			145	25	46	216
Total Units			235	36	50	321
		Estimated Development Cost (£m) *	47.0	7.2	10.0	64.2
		Estimated receipts (£m)**	0.0	2.5	14.0	16.5

* Assuming £200k per unit average cost

** Assuming £280k per unit average sales value and 25% equity share for intermediate

Item No. 19.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval Consolidated Repairs and Maintenance Service Contract for the Council's Operational Estate	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

With its vision of spending every pound as if it was from our own pocket, the council has been pursuing the process of ensuring that the way it manages its buildings offers the best value for money. The first step in this process was to consolidate the facilities management of the Tooley Street offices into a single contract last February.

Given the good performance on this contract, the scope of the facilities management work under this arrangement has been extended to include further buildings in the council's administrative estate. There is scope to continue to spread this further for the 'soft' facilities management work.

This report outlines the next step: bringing together the repairs and maintenance work across 217 buildings into a single, but flexible, contract that recognises that there will be differing levels of support required in different buildings. The single contract will enable this work to be delivered to a more efficient and cost effective way that best meets the needs of the council and its employees.

The contract will be awarded in line with the council's Living Wage commitments.

RECOMMENDATIONS

1. That the cabinet approve the procurement strategy outlined in this report for the consolidated repairs and maintenance service contract for the council's operational estate, namely to undertake a further competition using the crown commercial service (CCS) framework for facilities management as allowed for under CSO 3.4.
2. That the cabinet note that based on the minimum number of buildings expected to be included in the contract the estimated annual cost is £3.5M for a period of approximately 38 months making a total estimated contract value of £11M, with the option to extend for two 12 month periods giving a total contract value of £18M, which is expected to increase in line with plans to include other buildings during the life of the contract.
3. That the cabinet approve the delegation of the decision regarding the gateway two contract award report to the strategic director of finance and corporate services so as to facilitate awarding the contract before the expiry of the current framework.

BACKGROUND INFORMATION

4. Facilities Management (FM) is an integral business support service that provides the wide range of fundamental soft FM services e.g. cleaning, security, catering, inter-site mail, and hard facilities management e.g. planned, preventative and reactive building

maintenance, compliance and works projects which make up the building related services required to provide safe and compliant environments for staff and visitors.

5. In order to meet the changing requirements in the council's accommodation strategy a new long term procurement strategy for FM services was agreed for the operational estate, namely to move from a situation in which the council has multiple, disparate, outmoded contract arrangements to a consolidated FM service provision through the procurement of a suite of aligned FM contracts.
6. In October 2012 the council awarded the first of these contracts in the form of a consolidated soft and hard facilities management services contract for 160 Tooley Street to Interserve Plc for a period of five years, with an option to extend for an additional two years, hereafter referred to as the TSFM contract.
7. The TSFM contract allows the council to expand the operational scope to include additional buildings throughout the contract term subject to agreed criteria being met. This in turn allows the council to benefit from increased economies of scale driven through the contractor's own service delivery supply chain. Since contract award 14 operational buildings have been added thereby increasing the efficiencies achieved through the following benefits:
 - A rationalisation in contract management and monitoring requirements through the removal of multiple service providers and invoices.
 - Improved management information on the council's assets
 - Improved service delivery standards supported by focused key performance indicators.
 - Increased cost certainty over the life of the contract
 - Increased benefits as the scope of the service provider's annual improvement plan widens.
8. Building specific service benefits include:
 - A single point of contact for all services supported by the contractor's service desk interfacing with the council's in-house FM service desk giving a consistent customer experience.
 - Increased responsiveness to service requests and set reactive maintenance response times reducing downtime and increasing customer satisfaction.
9. Corporate Facilities Management (CFM) has continued to review operational buildings to identify those that meet the criteria for inclusion in the TSFM contract for consolidated soft and hard FM services, to date a further 35 are considered eligible. It is also proposed that all remaining operational buildings, circa 217, be included in the TSFM contract for consolidated soft FM services only as this service provision is uniform to all buildings. Approval reports are being prepared for March 2014. This will leave circa 217 operational buildings requiring a new consolidated repairs and maintenance service provision which is the subject of this report.
10. The estimated annual cost of the contract at award is £3.5M
11. The length of the contract is approximately 38 months, dependent on the date of award, this is to align the initial term end date with the TSFM contract to facilitate future procurement options.
12. The contract will allow for two 12 month extensions.
13. The total estimated contract value at award is £18M.

Summary of the business case/justification for the procurement

14. The reason some of the operational buildings cannot be included for consolidated hard FM services in the TSFM contract is that due to their age and condition they require a range of different maintenance strategies that are unable to be accommodated within the TSFM contract pricing mechanism.
15. This procurement will be the second major FM contract in the agreed strategy and will deliver the following service objectives:
 - Provide a safe and comfortable working environment for all building users which in turn enables them to deliver services.
 - Ensure efficient and cost effective use of assets
 - Maximise the useful life span of buildings, plant and equipment
 - Ensure all statutory health and safety requirements are met pertaining to maintenance works and inspections.
16. By awarding the contract from the same CCS framework, formerly known as government procurement services (GPS), the same core services detailed below will be delivered to corporate standards across the operational estate:
 - Planned preventative building maintenance, primarily routine and scheduled maintenance activity to building services and fabric.
 - Reactive building repairs and maintenance e.g. repairs to broken windows
 - Compliance with statutory regulations to meet all statutory and regulatory requirements relating to the building's fabric, plant and equipment, excluding fire risk assessments, asbestos management, gas, water and electrical testing which are compliance activities that will be covered by a new compliance and risk assessment contract for which a separate report is being prepared for March 2014.
 - Maintenance of building related equipment to ensure that it is in good working order.
 - Provision of spares and consumables to include lighting tubes, plant lubricants and engineering parts.
 - Works projects i.e. refurbishment and alterations consisting of works required by the council to alter or improve the working environment.

See appendix one for a more detailed scope of service.
17. Each of the buildings for inclusion in this contract will require varying levels of maintenance. These levels will be determined by a matrix of factors including current and future use, business criticality, the condition of fixed assets and the overarching accommodation strategy. To allow for this variance three maintenance strategies have been developed as detailed in table one at paragraph 20.
18. CFM will determine, in conjunction with other relevant service areas, which maintenance category best fits each building. This process will be fully supported by the information from the recently commissioned asset verification survey. The contract will allow for buildings to be moved between maintenance strategies in line with the evolving estate strategy.
19. Each maintenance strategy has its own pricing mechanism reflecting the degree of investment required in individual buildings. For example a building providing a front line or critical service and with reasonable utilisation expectancy will be assigned to maintenance strategy A. For a building that has a short utilisation expectancy i.e. is due for disposal, maintenance strategy C will be applied.

20. Maintenance strategies A and B will operate with cost streams one and two and transfer a degree of risk to the contractor giving a base, fixed price for each building. Maintenance strategy C will operate on cost stream two only i.e. a reactive maintenance cost under a schedule of rates. The fixed price element provides a degree of cost certainty for medium and long term business planning.

Option	Maintenance Strategy
<p style="text-align: center;">A</p> <p style="text-align: center;">Best practice planned and reactive service to all assets</p>	<p>The contractor is required to implement a best practice maintenance regime against all built and installed assets.</p> <p>All reactive repairs and maintenance up to a value of £1,000 excluding VAT (including labour, materials, profit, overheads and any other relevant costs) shall be carried out within cost stream one. All other reactive or planned maintenance tasks shall be met from cost stream two.</p>
<p style="text-align: center;">B</p> <p style="text-align: center;">Best practice planned and reactive service to critical assets only</p> <p>For the purposes of options A&B critical assets are defined as systems/equipment that if degraded, fail or rendered unavailable would greatly impact on the buildings reliability/utility therefore affecting service delivery</p>	<p>The contractor is required to implement a best practice maintenance regime against those assets which are denoted as business critical or requiring statutory testing only.</p> <p>All reactive repairs and maintenance on assets classified as business critical or requiring statutory testing, or classified as category A call - outs up to a value of £1,000 excluding VAT (including labour, materials, profit, overheads and any other relevant costs) shall be carried out within cost stream one. All other reactive or planned maintenance tasks shall be met from cost stream two.</p>
<p style="text-align: center;">C</p> <p style="text-align: center;">Best practice reactive service to critical assets only</p>	<p>The contractor is required to implement a best practice reactive maintenance regime only against those assets which are denoted as business critical or requiring statutory testing. All costs are cost stream two.</p>

Table One

21. The implementation of a consolidated repairs and maintenance contract for the operational estate will ensure that the council is able to achieve further benefits in line with those already being achieved on the TSFM contract as detailed in paragraph six.
22. The new contract will have the flexibility to allow the council to expand the scope of the contract to include other buildings that it owns, occupies or is responsible for providing FM services to during the contract term. Examples include voluntary and community schools/academies, the voluntary and community sector estate and the tenant and resident's association estate. At this time CFM estimates that the proportion of buildings from these sectors that will be included in the contract will represent an increase of approximately 40% in the total contract value. CFM will update this figure accordingly in the gateway two contract award report subsequent to consultation with said sites and confirmation of the successful tenderer's pricing. The governance process for adding new buildings to the contract will also be detailed in the gateway two report.

Market considerations

23. As the recommended procurement route is to use the CCS framework there are no specific market conditions that will impact on this procurement. The framework itself has already delivered a very successful contract for the council and the list of available organisations remains the same demonstrating continued capability and robustness.

KEY ISSUES FOR CONSIDERATION**Options for procurement route including procurement approach**

24. The following procurement options were considered:

No.	Option	Advantages	Disadvantages	Decision
1.	Do nothing	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ Having no repairs and maintenance service would lead to a degradation of building fabric and services resulting in building closures. 	Not recommended.
2.	Continue with existing arrangements.	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ CFM would not be able to achieve the long term FM strategy of consolidating the delivery of FM services. ▪ Similar efficiencies to those achieved on the TSFM contract would not be replicated. 	Not recommended.
3.	Undertake a EU procurement	<ul style="list-style-type: none"> ▪ Wider market test ▪ Potentially more applicants. 	<ul style="list-style-type: none"> ▪ Long procurement timeline. ▪ Length of procurement would significantly shorten the contract term possibly making it less attractive, thereby resulting in fewer bids and/or increased costs as the return on investment is reduced. ▪ Resource intensive 	Not recommended
4.	Undertake single supplier negotiations with TSFM contractor.	<ul style="list-style-type: none"> ▪ Short procurement timeline. ▪ Would achieve full consolidation of FM service provision with one provider. 	<ul style="list-style-type: none"> ▪ Non-competitive process making it harder to demonstrate best value. ▪ Estimated contract value is above EU threshold so risk of challenge. ▪ Would need to justify use of this route in such a well developed market. 	Not recommended
5.	Join tri-borough framework set up by Hammersmith & Fulham, City of Westminster and Royal Borough of Kensington & Chelsea	<ul style="list-style-type: none"> ▪ Short procurement timeline. ▪ EU compliant ▪ Market recently tested 	<ul style="list-style-type: none"> ▪ This framework has been awarded to a single supplier so there is no further competition option to address Southwark specific requirements. ▪ The framework is still in its mobilisation phase with the three host organisations so it is too early to see if it is going to deliver the desired outcomes. ▪ Unlike the TSFM contract this is not a new 	Not recommended.

No.	Option	Advantages	Disadvantages	Decision
			engineering contract (NEC) contract which would mean there would be two different contract management protocols for the same service areas.	
6.	Undertake a further competition from the CCS framework.	<ul style="list-style-type: none"> ▪ Short procurement timeline. ▪ EU compliant ▪ Framework already successfully used by council for a year. ▪ All eight original suppliers have remained demonstrating capability and performance. ▪ Competitive process ▪ NEC contract model would facilitate a uniform contract management regime within CFM. ▪ Less time needed to produce ITT documentation as can use TSFM contract as best practice model. 	<ul style="list-style-type: none"> ▪ Not a full market test ▪ Possibility that not all suppliers will be interested in a hard FM service only contract. 	Recommended

Proposed procurement route

25. The proposed procurement route is to undertake a further competition using the CCS facilities management framework. The framework currently has the following eight suppliers:
- Carillion Services Ltd
 - EC Harris Solutions Ltd
 - Europa Facility Services Ltd
 - Interserve (Facilities Management) Ltd
 - ISS Facility Services Ltd
 - MITIE Facility Services Ltd
 - Norland Managed Services Ltd
 - Skanska Rashleigh Weatherfoil Ltd
26. As per CCS guidance CFM will first undertake a capability assessment by contacting all eight suppliers with basic information about the council's requirements e.g. services required, size of operational estate, contract term, other services/properties that may be added to the contract going forward. Following this exchange suppliers have the opportunity to de-select themselves from the process. Those that remain will be invited to participate in a further competition process for which they will be asked to submit a tender in response to a specification detailing the council's full service requirements.

Identified risks for the procurement

27.

No.	Risk	Level	Mitigating Action
1.	There is not enough interest from the framework for a hard FM only contract.	Low	CFM has contacted all eight contractors to gage their interest at this stage and to date none had advised that they would not consider submitting a tender.
2.	Lack of knowledge regarding hard FM service provision in some parts of the operational estate may mean not all secondary TUPE issues are identified.	Medium	CFM will utilise its team of FM building managers to confirm existing service provision arrangements in order to identify where secondary TUPE may apply.
3.	<p>The current CCS framework is due to expire at the end of September 2014 and CCS has confirmed that any award must be made prior to this.</p> <p>Therefore a significant delay in the procurement timeline may impact on the council's ability to meet this requirement.</p>	Medium	<p>CFM has taken on board lessons learnt from the TSFM procurement and is confident that the advised procurement project plan is achievable and duly resourced.</p> <p>CFM intends to utilise the documentation from the TSFM procurement where possible, and the specification is nearly completed.</p> <p>Recommendation two of this report is seeking approval to delegate the contract award decision to the strategic director of finance and corporate resources which will shorten the internal contract award approval process. CFM will also monitor the CCS procurement for further extensions.</p>
4.	Existing services may degrade once current contractors become aware of the service consolidation proposal and their possible exclusion from the procurement process.	Low	CFM to maintain contract monitoring and management arrangements so that any service degradation can be addressed accordingly.
5.	Insufficient/inaccurate estate data leads to applicants submitting increased risk premiums to tender costs.	Low	CFM has recently commissioned an asset verification survey which will be provided to applicants. The successful contractor will also have an opportunity to undertake due diligence.

Key /Non Key decisions

28. This is a key decision.

Policy Implications

29. A key element of the corporate plan that this strategy supports is "transforming public services". This requires sound resource management of the council's property assets, including how they are utilised and their effective operational and financial management. The effective and efficient procurement and delivery of FM services are integral to the sound management of the council's property assets.

30. The medium term resources strategy aligns financial priorities with the management of assets and the associated resources with which the council delivers its services. A

modern FM service platform and an informed CFM client function will significantly support the council's medium and long term objectives providing flexibility and opportunities for efficiency savings.

31. The theme of "valuing the environment" will be increasingly supported through the delivery of an improved FM service delivery platform and effective strategic management of FM. Supported policies include "Southwark Cleaner Safer" and the "Sustainable Community Strategy". Other key corporate objectives are indirectly supported through improving working environments, improving customer facilities and enabling more effective service delivery.

Procurement Project Plan

32.

Activity	Complete by:
Gateway 1 Report Forward Plan (March 2014 decision)	December 2013
DCRB Review Gateway 1 Report: Procurement strategy	13 February 2014
CCRB Review Gateway 1 Report: Procurement Strategy	20 February 2014
Notification of forthcoming decision—despatch of cabinet agenda papers	6 March 2014
Approval of Gateway 1: Procurement strategy	18 March 2014
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	1 April 2014
Completion of tender documentation	1 May 2014
Invitation to tender	6 May 2014
Closing date for return of tenders	2 June 2014
Completion of evaluation of tenders	7 July 2014
Gateway Two Report Forward Plan (September 2014 decision)	May 2014
DCRB Review Gateway 2 Report: Contract Award	31 July 2014
CCRB Review of Gateway 2 Report: Contract Award	7 August 2014
Approval of Gateway 2: Contract Award Report	13 August 2014
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	27 August 2014
Contract award	1 September 2014
TUPE Consultation period (Secondary) / Mobilisation	21 November 2014
Contract start	24 November 2014
Contract completion date	31 January 2018
Contract completion date – (if extension(s) exercised)	31 January 2020

TUPE/Pensions implications

33. It is expected that secondary TUPE will apply. CFM will liaise with contractors and building occupants to ensure all relevant information is gathered. Advice will also be sought from legal services accordingly.

Development of the tender documentation

34. CFM will be responsible for the development of the tender documentation together with the wider project team. Colleagues in corporate procurement, legal and finance will be consulted accordingly.
35. The invitation to tender documentation used for the TSFM contract will be used as a best practice model to produce the following:

- Data pack (detailing number of anticipated sites, where known re-active call volumes by discipline, current/anticipated occupancy levels, opening hours, asset data, service task requirements etc).
- Service specification
- Key Performance Indicators
- Evaluation methodology
- Pricing schedule and charges
- Contract
- Secondary TUPE information

36. Where appropriate documents will be developed through the use of workshops.

Advertising the contract

37. As the proposed procurement route is to undertake a further competition using the CCS facilities management framework there is no additional requirement to advertise the contract.

Evaluation

38. The evaluation methodology will be developed by the evaluation panel in consultation with the project board based on the model used for the TSFM contract. The evaluation panel will be made up of representatives of the CFM management team, CFM technical team, client stakeholder group and finance. Additional support and advice will be sought from corporate procurement, legal and other disciplines accordingly.

39. The contract will be awarded on the basis of the most economical advantageous tender using a price/quality ratio of 70/30. As part of the quality evaluation applicants will be asked to produce a contractor plan consisting of a series of service delivery plans, and to respond to a series of service related questions. These will be scored against main and sub-criteria using allocated weightings. The final evaluation methodology will be agreed by the project board and advised to all applicants.

Community impact statement

40. As some of the operational buildings are open to the public this decision will have some impact on local people and communities. The contract will therefore aim to deliver services in a way so as to ensure working/social environments that do not negatively impact on the six strands of the council's equality agenda. Where possible, the successful contractor will be encouraged to utilise local employment and supply chain resources.

Economic, social, environmental considerations – CCS Framework Evaluation

41. As part of the original framework procurement process CCS requested and evaluated tenderers approach to economic, social and environmental considerations under question 8 of Appendix E: Statement of Requirements. Tenderers were asked to outline how they would ensure services were provided in the most sustainable manner to the customer and provide advice on sustainability matters including economic development and stability, social: culture, people, diversity and equality; environmental: waste and emissions, resource use and replenishment, impacts on habitats and biodiversity. Responses were then evaluated on anticipated outcomes, see Appendix Two. Whilst not permitted to revisit areas already evaluated by CCS, the council reserves the option to evaluate specific areas of requirements.

Environmental considerations

42. Table two below details some of the agreed set of environmental performance targets for council buildings. Applicants will be asked to demonstrate how they will seek to minimise the consumption of energy and emissions of pollutants to ensure these targets are met.

Theme	Target
Energy usage	To not exceed 'good practice' benchmarks set by the chartered institute of building services engineers (CIBSE) / carbon trust.
Water	To not exceed 2.0 ³ / per person per year, or 4.0m ³ /m ² /per year, whichever is the more accurate.

Table Two

43. Applicants will also be asked to demonstrate the systems/processes they will use to ensure the capture of data needed by the council to fulfill its obligations in reporting the use of CO² emissions each year.

Social considerations

44. Whilst the proposed procurement route means that on this occasion SMEs and BME's will not be able to participate, the contract will seek to encourage the use of local supply chains.
45. It will be a requirement of this contract to pay the London Living Wage (LLW) to all contractor staff who work on the contract both directly and through sub-contracting arrangements. A specific LLW delivery plan will be sought as part of the evaluation methodology in order to assess how applicants intend to demonstrate their application and monitoring of the LLW. The benefits of LLW include the council becoming an employer of choice within the supply chain, improved recruitment and retention resulting in improved service delivery.

Economic considerations

46. Whilst it is acknowledged that all of the contractors on the CCS framework will have their own supply chains in place, the council will seek to include local economic and social benefits in the contract wherever possible. To this end the evaluation methodology will include an assessment of how applicants will:
- Engage with borough wide employment programmes such as Southwark Works to support unemployed resident's access to training, skills and sustainable employment.
 - Engage with apprenticeship schemes which have a target of one apprentice per £1m annual contract expenditure.
 - Engage with local companies in their sub-contracting and supply chain arrangements wherever possible.
 - Engage with small to medium enterprises, including those operated by the voluntary and community sector.
 - Build local economic benefits into the delivery of the service
 - Achieve continuous and measurable improvements while working in partnership with the council to deliver services.

Plans for the monitoring and management of the contract

47. The contract will be managed by dedicated resources within CFM in line with NEC3 requirements. Responsibilities will include the following:
- Holding monthly contract review meetings
 - Monitoring and reviewing expenditure via a monthly consolidated invoice
 - Reviewing monthly performance reports against key performance targets
 - Responding to complaints and requests for service improvements
 - Six monthly and annual reviews
 - Annual improvement plans
48. The successful contractor will be required to put their own robust monitoring regime in place to support reporting requirements and other service requirements such as the identification of the different cost stream elements.

Staffing/procurement implications

49. CFM will manage the procurement project using existing resources with specialist support as required from an external consultant.

Financial implications

50. The contract will be funded from existing departmental budgets which will transfer to CFM as buildings are added to the contract. The current annual cost of providing hard FM services to the sites initially identified for inclusion in this contract is estimated at £3.5M. The procurement strategy of a consolidated hard FM service for the remainder of the operational estate is expected to deliver savings against this figure.
51. The CCS framework does not stipulate the use of a specific index for annual price reviews, this is left for each customer to agree. Whilst noted the council's current guidance is to start at a point of having no inflationary increases, on this occasion CFM believe it is best to advise applicants of the intention to use the CPIX index in order to avoid any front loading of tender costs.

Legal implications

52. Please see concurrent from the director of legal services.

Consultation

53. Key stakeholders have been consulted.

Other implications or issues

54. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

55. This report is seeking approval to source a new Repair and Maintenance service contract for the councils Operational Estate via the Crown Commercial Service framework.
56. The report describes the services that will be provided through this contract. It is important that the contract has flexibility to accommodate the council's needs for both now and in the future. The report confirms that different levels of service will be available and there will be a mechanism for adding or removing buildings. This will

help ensure that all services required during the life of the contract can be delivered without the need for further procurement activity.

57. For a contract of this nature and value the EU regulations apply. The procurement options that have been considered for this contract are contained in paragraph 24. The Crown Commercial framework is an EU compliant route for procurement. All of the providers that appear on the category list have been subjected to a full EU procurement process. By embarking on a further competition process LBS will assess these providers against local requirements ensuring our specific requirements can be met and the council's standards for equalities and health and safety satisfied.
58. For this procurement route to remain EU compliant it is important that the operating rules for the framework are adhered to. Paragraphs 38 - 39 describe the proposed approach for evaluation. The framework rules allow for some flexibility with the evaluation methodology and a high level weighting 70% price and 30% quality will be set. This is in line with the council's current recommended model.
59. The timeline for this project appears reasonable and achievable provided adequate and appropriate resources assigned as required. This procurement project will be overseen by the CFM steering group which will help ensure the project is tracked and key tendering documentation receives the appropriate sign off. Corporate procurement is represented on the steering group and will provide ongoing support to the project.

Director of Legal Services

60. This report seeks the cabinet's approval to the procurement strategy for the consolidated repairs and maintenance service for the council's operational estate as further detailed in paragraphs 1 and 2. At an estimated contract value of £18m this is a strategic procurement, and approval of this decision is therefore reserved to the cabinet.
61. The nature and value of this contract is such that it is subject to the full tendering requirements of the Public Contract Regulations 2006 (as amended). However this report notes the council's preferred approach to this procurement, and its intention to undertake a further competition through the CCS Facilities Management Framework. As the CCS framework has been tendered in accordance with the EU tendering regulations, the use of that framework meets those EU procurement requirements. Officers from legal services will assist the project team throughout the procurement process.

Strategic Director of Finance and Corporate Services (FC13/094)

62. This report seeks cabinet approval to the procurement strategy for a consolidated repairs and maintenance service contract. The financial implications are contained within the body of the report.
63. The intention to transfer council buildings in to this contract, subject to meeting criteria, is noted. Budgets associated with each building will need to be identified prior to transfer. This will ensure that adequate funding is available and also identify any potential savings.
64. The inflation implications and intention to use CPI-X are noted and will be included in the financial appraisal. These will be identified prior to contract award and included in the gateway two report. Officer time to carry out this procurement strategy can be contained within existing resources.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
None		

APPENDICES

No	Title
Appendix 1	Scope of Service Summary
Appendix 2	Extract of CCS Sustainability, Economic, Social and Environment Evaluation Methodology

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Matthew Hunt, Head of Corporate Facilities Management	
Report Author	Jan McMahon, Head of Corporate Contracts and Contract Management	
Version	Final	
Dated	6 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Specialist Housing Services	No	No
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		6 March 2014

APPENDIX 1**Scope of Service Summary**

The service is to include, but is not limited to:

- Mechanical and electrical services including:
- Heating, cooling and air conditioning
- Water supply and drainage systems
- Control systems
- Power, including standby power systems
- Lighting and re-lamping
- Lifts, hoists, cradles and man-safe systems
- Security and life systems
- Other items, for example, roller shutter doors and hatches
- Building fabric services including:
- External and internal structural elements
- Self-finished concrete panels
- External cladding
- Roofing (including environmentally friendly roofing)
- Fenestration
- External and internal doors
- Structural floors including raised access flooring
- Structural slabs including suspended ceilings
- Internal floor, wall and ceiling finishes
- Window blinds
- Stairways
- Balustrades
- Man-safe systems
- Hard and soft landscaping including metal gates and fences
- Other elements, for example, locksmith services

Statutory tests, inspections and/or monitoring including:

- Water hygiene monitoring
- Air quality monitoring
- Portable appliance testing
- Emissions testing
- Gas safety testing

- Emergency light testing
- Periodic electrical test and inspection remedial works
- Management of asbestos plan
- Building regulations compliance
- Ad-hoc environmental testing

APPENDIX 2

Extract of CPS Sustainability, Economic, Social and Environmental Evaluation Methodology

- Details of the process to monitor compliance with sustainability legislation, and provide details of the specific legislation that needs to be considered for the Estate;
- Details of the process to ensure compliance, report and monitor improvements in line with Government's SOGE (Sustainable Operations on the Government Estate) targets. More information on the SOGE targets is available at: <http://www.defra.gov.uk/sustainable/government/gov/estates/targets.htm>
- Details of the process to identify and manage the sustainable procurement risks, considering the life cycle impacts of the goods and services delivered to the Customer(s).
- An explanation of how the tenderer will deliver sustainable solutions for the Customer(s) through:
 - Challenging the purchase of unnecessary goods and services and helping customers to identify and re-use redundant equipment;
 - Encouraging the customer and their staff to use equipment more efficiently;
 - Protecting and enhancing biodiversity.
 - Details of the process to ensure that staff employed by the tenderer have the required qualifications, skills and training to meet these sustainability requirements;
 - Details of the process to ensure that immigrant workers are vetted as appropriate;
 - Details of the process to consider the use of SME's and Third Sector suppliers for delivering some aspects of the Services;
 - Details of the process to consider apprenticeship schemes and return to work schemes;
 - Details of the process to provide information to Customers on the make up of the supply chains used;
 - An explanation of how the tenderer will develop, monitor and report against sustainability targets for the Estate. As a minimum these targets should consider the following:
 - ❖ Compliance with all relevant sustainability and employment legislation;
 - ❖ Compliance with sustainability product standards such as OGC Quick Wins, Green Public Procurement standards and/or eco-labels or equivalent Standards;
 - ❖ CO2 impacts from delivering the goods and services;
 - ❖ Volumes of waste, re-used, recycled, incinerated and to landfill;
 - ❖ Sustainable procurement risk assessments for individual products and services;
 - ❖ Supply chain compliance audits;
 - ❖ Diversity and make up of sub-tenderers and staff employed.
 - ❖ Details of the process to ensure that their sub-contractors consider the sustainability requirements of the Estate.

Item No. 20.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Walworth Town Hall – Agreeing the Way Forward	
Ward(s) or groups affected:		East Walworth, Newington, Cathedrals and Chaucer	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

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

In July 2013 the cabinet agreed a high level vision to deliver a civic centre in Walworth that would set a new standard in creating a world class public place and requested officers to consult with local residents and interest groups further on their attitudes towards this vision. We are very pleased to present the results of this consultation feedback in this report which clearly demonstrates a high level of support. It is now the time to take the next steps forward in making this vision a reality. The council has already brought forward a new leisure centre for the area and this project will further develop the community infrastructure that is necessary to support the successful regeneration of the area. We will therefore take on board comments received to date and commence the process to select an appropriate design team to take forward the design of the project.

As stated in July we are absolutely committed to retain the much valued Grade 2 Listed Town Hall building and in addition, following clear feedback received during the consultation, we will now examine the possibility and feasibility of including the Grade 2 listed Newington Library building within this redevelopment project with the aspiration to deliver a centre which serves not just the local area but Southwark as a whole.

As demonstrated through consultation undertaken to date it is our absolute commitment to involve local people and groups at every step of the way and I am excited to announce that this will continue during the process to select architects with an exhibition that will provide residents with an opportunity to comment on proposals submitted by a short list of architects.

I now ask cabinet to agree the recommendations laid out in this report and approve the project mandate outlining the high level vision statements for each of the facilities and services to be accommodated within the development. This vision demonstrates our commitment to deliver a world class facility within the heart of the community and outlines the next important steps of this project.

RECOMMENDATIONS

That the cabinet

1. Note the outcome of the Walworth Town Hall consultation exercise summarised in paragraphs 11 to 15 (and attached at Appendix 1) that was undertaken throughout October and November 2013 which endorses the strategic vision approved by cabinet in July 2103.

2. Agree the project mandate for the rebuilding of the Walworth Town Hall and in particular providing a high level brief for the following key facilities:
 - An enhanced library, a museum to house the Cuming and heritage collections, a cafe, a flexible event / community space including the provision for hosting ceremony's for the Registrar's service.
3. Note that the strategy for the selection of a lead scheme architect will include a design competition incorporating further public consultation.
4. Note that the Newington Library building will be incorporated into the scope of the project mandate to examine the benefits that the additional floorspace could potentially provide for the project.
5. Request officers to report back to cabinet in autumn 2014 with further information on design, budget, programme, results of public consultation and selection of architects.

BACKGROUND INFORMATION

Works undertaken on the fire damaged building to date

6. In July 2013 cabinet approved a high level vision for the Walworth Town Hall which included the following key priorities for the future use of the building;
 - An enhanced Library space.
 - A space for the display of the Cuming collection and potentially a Southwark museum
 - A flexible space that could be used for a variety of purposes including community and civic events, exhibitions and performances
 - Facilities for marriage, civil partnership and citizenship ceremonies undertaken by the Southwark registrar's service
7. Officers were instructed to agree a plan with the cabinet member for regeneration and corporate strategy for a consultation process to establish whether there was public support for the approved vision and to report to cabinet with the results of the consultation exercise and proposals for a full project mandate for the rebuilding of the Walworth Town Hall. This report is intended to provide this feedback and sets out proposals for the next stages of the project.
8. The July report also outlined the actions undertaken by the council immediately after the fire. Since July 2013 an extensive programme of remedial works and further surveys have been undertaken to secure the damaged Town Hall building and to protect the structure. These works are detailed in the project mandate [see Appendix 2]. The information drawn from the structural and building condition surveys will form part of the brief for the two stage architect selection process as detailed in paragraph 15 below.

Conservation and Heritage

9. The Walworth Town Hall is a Grade Two listed building. The recovery and remedial works undertaken to date have been carried out following liaison with English Heritage and the council's design and conservation manager. English

Heritage has visited the site and they have confirmed that they are satisfied that the works which have been carried out protect the building structure and internal historical features not destroyed by the fire.

10. Results of the architectural condition survey will inform the detailed brief for the procurement of architects and future design work to ensure that proposals work within the historical constraints of the listed building. War memorials within the Town Hall will be retained within any future scheme as they contribute to the heritage of this important building. In addition the council will be working with Lend Lease to consider the possibility of providing a new war memorial within the Walworth Square, to be delivered as part of the redevelopment of the Heygate Estate.

KEY ISSUES FOR CONSIDERATION

Consultation strategy and results

11. A detailed overview of the consultation exercise that was undertaken throughout October and November 2013 is provided in Appendix One. 424 completed consultation questionnaires were returned during the two month period representing a 2.4% response rate from the 8403 questionnaires that were sent out to all residential and business addresses within the Elephant and Castle Opportunity Area.
12. When the respondents were questioned whether they supported the high level vision for the Walworth Town Hall, as approved by cabinet in July 2013, 94% answered yes (of those who answered either yes or no).
13. When asked to score each facility in terms of preference the respondents average score is as follows (with one being least preferred and five being most preferred):
 - Enhanced Library – 4.3
 - Museum to house Cuming Collection – 4.1
 - Flexible event space – 3.3
 - Cafe – 3.0
 - Registrar Service – 2.9
14. Therefore both the library and museum function were scored highly demonstrating significant support for their inclusion within the Town Hall. The average scores for the event space, cafe and registrar service were all around three therefore indicating neither strong support nor objection to their inclusion within the high level vision.
15. A frequent comment made during the community conversation event at East St market and also in several stakeholder group events was that respondents reported that it was difficult for them to comment without actually seeing any plans or details of the proposals. This highlights the importance of continuing the process of community engagement through the next stage of the design process. An approach to achieving this is discussed below in paragraph 16 and 17 below and in the project mandate document.

Design competition and selection of architects

16. The Walworth Town Hall project is a very significant scheme for the council. It provides an opportunity to provide enhanced public facilities for the local community which will contribute to the wider regeneration of the Elephant and Castle. In addition as already noted the building has a rich history and heritage making it an important local building. There will be strong community interest in the proposals for the site.
17. In these circumstances it is important that a suitably experienced architectural practice is appointed and that the programme provides local stakeholders with an opportunity to engage in the design process. The procurement of architects and other members of the professional team will be subject of separate Gateway reports in accordance with the council's standing orders. It is anticipated that the selection process will have two stages and will involve a design competition which would allow various approaches for the design of the new town hall to be tested. This approach will also provide members of the public and local stakeholders with an opportunity to influence the selection of the preferred design team.

Project Mandate

18. An initial project mandate has been prepared which will inform the architectural selection process. The starting point for the content is the cabinet's vision for the building which has been endorsed by the public. Details of the responses received from the public will also be included in the mandate. This vision statement has been further evolved by lead officers who are responsible for the various service areas. The statements are however still at a high level and will be developed further through an iterative process which will test scenarios and which will be informed by precedent studies. This approach will help the client team understand the spatial implications of the various uses and how these can be distributed within the available space. The mandate will therefore be developed in more detail as the project moves from the inception phase into the planning process. The content will be supported by detailed reports arising from technical surveys including those concerning conservation issues.

Newington Library

19. During the consultation exercise a number of respondents and stakeholder groups raised questions concerning the future of Newington Library and whether the future of this building would be considered as part of the design process which the council envisaged for the Walworth Town Hall.
20. Whilst not directly damaged by fire Newington Library did experience significant damage arising from water penetration. This has resulted in the building becoming unsuitable for use by either the public or staff. In order to ensure continuity of library services at the Elephant and Castle the council has entered into a lease for space within the Artworks scheme on Elephant Road. It is anticipated that this temporary facility will open to the public in the summer 2014. These premises which will be DDA compliant [unlike Newington Library] will be available for up to 5 years. This solution provides the council with sufficient time to design and construct a new facility within the Walworth Town hall.
21. The full extent of the damage to the fabric of Newington Library has yet to be fully established. A buildings condition survey is currently being undertaken

however specialist consultants have advised that the premises will take a minimum of six months to dry out. Newington Library does not have any public toilets and the staff referred customers to the public toilets located in the Town Hall which were open during office hours. Furthermore the means of escape from the rear of the premises is severely restricted. For these reasons it will not be practical to reopen the building to the public in the short term and any solution is likely to involve significant expenditure. Such a course of action would in any case be compromised by the rebuilding works to the adjacent town hall which is likely to adversely affect the use of the Newington Library building and which could require it being closed for temporary periods.

22. Cabinet is therefore advised that decisions on the future use of the Library should not be taken until more detailed information is available on the condition of its structure, and risks and costs are more thoroughly appraised.
23. The Newington Library and Walworth Town Hall are closely connected in physical and functional terms. In combination they form a collection of important local buildings with considerable historic and heritage value. The spatial implications of the councils preferred suite of uses for the Walworth Town Hall site will only be fully understood once the architectural process is underway. In these circumstances it has been concluded that the Newington Library should be included within the scope of the project mandate. It is anticipated that the selected architects will be required to appraise development scenarios to establish the extent to which the councils preferred uses can be accommodated in the parameters of the two buildings.

Programme

24. The programme for the commencement of design work is very much determined by the selection and appointment of architects. As noted in paragraphs 15 this process will involve a design competition and will be the subject of separate Gateway reports. It is currently anticipated that officers will be in a position to report back to cabinet during Autumn 2014 providing more information on the following;
 - Confirmation of the appointment of an architect following the design competition.
 - results of the public consultation undertaken as part of the design competition
 - A more detailed design brief for the project confirming whether or not the Newington Library is required in order to achieve the strategic vision for the building which has been endorsed through the public consultation.
 - An initial project programme against which design, planning and construction will be delivered against
 - A project budget for the design and implementation stages.

Policy implications

25. The adopted Elephant and Castle SPD (2012) identifies a vision for the opportunity area which is for the redevelopment into an attractive central London destination with excellent shopping, leisure facilities and cultural activities. In order to achieve this vision the document identifies a series of objectives including that of the provision of 'more and improved educational, health and community facilities which meet the needs of existing and future residents'

(paragraph 3.2.7). Agreeing the next steps in the rebuilding of the Walworth Town Hall will support this regeneration objective through the enhancement of the library and museum facilities.

26. The *Revised Office Accommodation Strategy* agreed by cabinet in November 2010 sets out a list of principles to guide decision making and design. These seek to ensure that investment in improving accommodation would represent best value for revenue spending and capital investment over the long term. The redevelopment of Walworth Town Hall will need to demonstrate that it supports the delivery of all of these principles and in particular achieves the following:

- Ensure that council facilities are welcoming and accessible to all residents, visitors and staff, conforming to high standards of disability access and customer service;
- Ensure that council presence is felt in all areas of the borough and that council staff and partners are well placed to understand and engage with local people;
- Ensure that the estate is flexible and adaptable to future needs;
- Reduce to a minimum the total number of administrative office sites to:
 - Minimise the revenue costs of managing the residual estate;
 - Minimise the future investment costs that would otherwise be required to maintain the retained estate and comply with modern standards of accessibility and sustainability;
 - Minimise the financial, reputational and human resources risks of operating from old and un-refurbished property;
 - Maximise the opportunity for modern ways of working, including the opportunities for work across departments and with partners in ways that better meet the needs of residents
 - Maximise the council's opportunity to improve environmental sustainability;

27. The Library Service review of 2011 gave commitment to retaining all 12 of Southwark's Libraries and to continue the modernisation of the library service. Newington is the borough's fifth busiest library and serves Walworth's diverse communities. There is significant demand for study space as well as access to IT and book stock. Young people make particularly heavy use of the library.

28. The Arts Council which now has responsibility for public libraries has recently issued a report called *Envisioning the Future*. The findings of the report are based on extensive consultation and research and identify four key ingredients for the library of the future. These are:

- Placing the library as the hub of the community
- Making the most of digital technology and creative media
- Ensuring that libraries are resilient and sustainable
- Delivering the right skills for those who work in libraries

The provision of modern, improved library facilities at Walworth Road would enable the implementation of these principles, carrying on the work already in place at other libraries in the borough.

29. The Cuming Museum is a unique repository of Southwark's heritage and gives access to important artefacts and objects from around the world. A new cultural

strategy for the borough was approved by cabinet in July 2013 and the museum is a key deliverer of the proposed action plan for heritage. It has only ever been possible to exhibit a very small percentage of the museum's collection and new provision will make possible to increase the amount of items on display and will benefit the museum's strong education programme

Community impact statement

30. The proposed redevelopment of the Walworth Town Hall is intended to provide a range of public services of benefit to the local community. One of the main objectives of the design brief for the future Walworth Town Hall will be to ensure the building is accessible to all members of the community regardless of age, disability, faith/religion, gender, race and ethnicity and sexual orientation.

Resource implications

31. The Regeneration North Team, within the chief executive's department, are responsible for leading the project through the pre planning and design process and for securing planning consent. Officer time required to manage the procurement process to select the design and professional team can be contained within the team's revenue budget. Once consent has been granted it is anticipated that responsibility for the scheme will transfer to the council's capital projects team for implementation.
32. A bid for the construction costs for the building has been made and will be considered as part of the capital programme refresh in March. An insurance settlement for the costs of the reinstatement works following the fire is also being pursued and the outcome of this process will reduce the call on the capital programme. As noted elsewhere in the report it is envisaged that a further report to cabinet in autumn will include more information on the construction budget for the scheme including professional fees and contingency.

Consultation

33. Initial consultation on the cabinet's high level vision for the project has taken place as set out in paragraphs 9 to 13 of this report. The purpose of this report is to agree a project mandate which will be used to inform the architectural selection process. As noted in paragraph 14 it is anticipated that the selection process will involve a design competition which is intended to provide residents and local stakeholder groups with an opportunity to influence the selection of the final design team.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

34. This report seeks the cabinet's approval to a number of recommendations relating to the Walworth Town Hall. There are no specific legal implications regarding the approach noted in this report. Officers from legal service will continue to provide advice (when required) to the project, and particularly with regard to the forthcoming procurement for the section of lead scheme architect which is subject to a separate gateway approval.

35. The cabinet will be aware of the Public Sector Equality Duty in section 149 of the Equality Act 2010. At each stage, in exercising its functions (and in its decision making processes) the council must have due regard to the need to:
- Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
36. The relevant protected characteristics are age, disability, gender reassignment, pregnancy/maternity, race, religion/belief, sex and sexual orientation.
37. The cabinet is referred to paragraph 30 of this report which notes the community impact statement, and they should consider the equalities impact and issues when considering these recommendations.

Strategic Director of Finance and Corporate Services (FC13/090)

38. This report is seeking approval from cabinet to note the outcome of the consultation exercise and agree the project mandate on the way forward for rebuilding the Walworth Town Hall, details of which are outlined in paragraphs 1-5 and in the main body of the report.
39. It is noted that there are no immediate financial implications arising from this report as the staff resources required in the pre-planning and procurement process in the initial stages will be contained within existing departmental revenue budgets. It is also noted that a new capital bid is being submitted for approval at the March 2014 cabinet meeting, in funding the rebuilding costs of the Walworth Town Hall following the fire that occurred in March 2013. The total costs of the overall rebuilding programme will need to be closely monitored against the funding available.
40. It is noted that a further report will be submitted in autumn 2014 updating cabinet on the latest position on the overall scheme costs and funding. Commitments on contracts and other costs should only be commenced against confirmed and agreed funding.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
'Walworth Town Hall – A Strategic Vision for the rebuilt Town Hall' – Cabinet Report July 2013 (Item 14)	Regeneration North Team, 5 th Floor Tooley Street	Jon Abbott, 020 7525 4902
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MIId=4549&Ver=4		

APPENDICES

No.	Title
Appendix 1	Walworth Town Hall Consultation Report
Appendix 2	Walworth Town Hall Project Mandate

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Chief Officer	
Report Author	Jon Abbott, Elephant and Castle Project Director	
Version	Final	
Dated	6 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Culture , Libraries, Learning and Leisure	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	6 March 2014	



Walworth Town Hall

Public consultation report

February 2014

Contents

1. Introduction	Pg. 3
2. Purpose of consultation	Pg. 4
3. The overall consultation results	Pg. 5
4. Analysis of Postal Questionnaire and Online Survey results	Pg. 8
5. Other suggestions made	Pg. 9
6. Results of Stakeholder group meeting	Pg. 10

1. Introduction

- 1.1** On the 25 March 2013, the Walworth Town Hall at 151 Walworth Road suffered a major fire resulting in significant water and fire damage throughout the building. The Grade 2 listed Town Hall building comprised of the Walworth One Stop Shop, the Cuming museum, the council chamber and council office space. Both the Walworth Town Hall and neighbouring Newington Library buildings have been closed to the public since the fire occurred and whilst the Council's contractors secure both buildings and identify the extent of damage.
- 1.2** In July 2013 the Council's Cabinet approved a report outlining a high level strategic vision for the town hall building that would see the building rebuilt and modernised accommodating the following facilities :
- An enhanced Newington Library space
 - A space for the display of the Cuming collection and potentially a Southwark museum
 - A flexible space that could be used for a variety of purposes including community and civic events, exhibitions and performances
 - Facilities for marriage, civil partnership and citizenship ceremonies undertaken by the Southwark registrar's service
- 1.3** Following the Cabinet approval a consultation strategy, drafted by the Regeneration North team, was approved by the Cabinet member for Regeneration and Corporate Strategy, Councillor Fiona Colley. The Walworth Town Hall project team officially began the public consultation and engagement for a period of two months from the 1st October to 30th November 2013.

2. Purpose of consultation

2.1 The purpose of the consultation was to identify the level of public support for this high level vision through inviting all residents within the Elephant and Castle opportunity area to participate in the process by submitting their thoughts on the future of the Walworth Town hall. The results of which would aid the council in developing a more detailed and informed project brief to inform design and planning for the development of the site.

2.2 The opportunity to comment was provided through a freepost postal questionnaire sent to all resident and commercial properties within the Elephant and Castle Opportunity Area, an online questionnaire promoted on the Southwark Council website and through a series of community meetings with identified stakeholder groups.

2.3 A stakeholder database was created including:

- 8,403 local residents and commercial addresses within the Elephant and Castle opportunity area
- local interest groups identified by members of the SE17 and SE1 community engagement team
- ward councillors for East Walworth, Newington and Faraday .

2.4 The local interest groups identified by the community engagement team included:

- The Walworth Society
- The Latin American Community
- Garland Court Resident Association
- Wansey Street residents
- Southwark Youth Council
- Southwark Young advisors
- Local Primary schools
- Globe Academy secondary
- Walworth Academy secondary

The stakeholder database also included community and advocacy groups in SE17 and SE1 and internal council officers:

- Walworth Bangladeshi Community Association
- Kurdish & Middle Eastern Women's Organisation
- Southwark Pensioner Forum
- Borough, Bankside and Walworth Community Council
- Library users
- Cuming Museum Heritage Managers
- TRA's within the Elephant & Castle Opportunity Area

2.5 The consultation strategy focused on asking two key questions;

- Do you support the council's high level vision for Walworth Town Hall?
- And which facilities, from the approved strategic vision, you would most like to see in the rebuilt Town Hall?

Those completing the questionnaire were also offered the opportunity to provide further comments or suggest alternative facilities which they thought should be provided in the town hall building.

3. The overall consultation results

3.1 A total of 424 completed questionnaires were returned through the postal and online surveys and also stakeholder group meetings. Of the 8403 questionnaires Southwark Council sent out 202 were returned, which is a response rate of 2.4% which is at the lower end of the 2% to 4% target range.

Question 1: Do you support the high level vision for the Walworth Town Hall?

3.2 Chart 1 below shows that 78% of the 424 responses support the high level strategic vision as agreed by Cabinet. This is a significant level of support however when focusing on those respondents who actually chose to answer the question either Yes or No, therefore stating a preference either way for the vision, the level of support actually increases to 94% as shown in Chart 2 below.

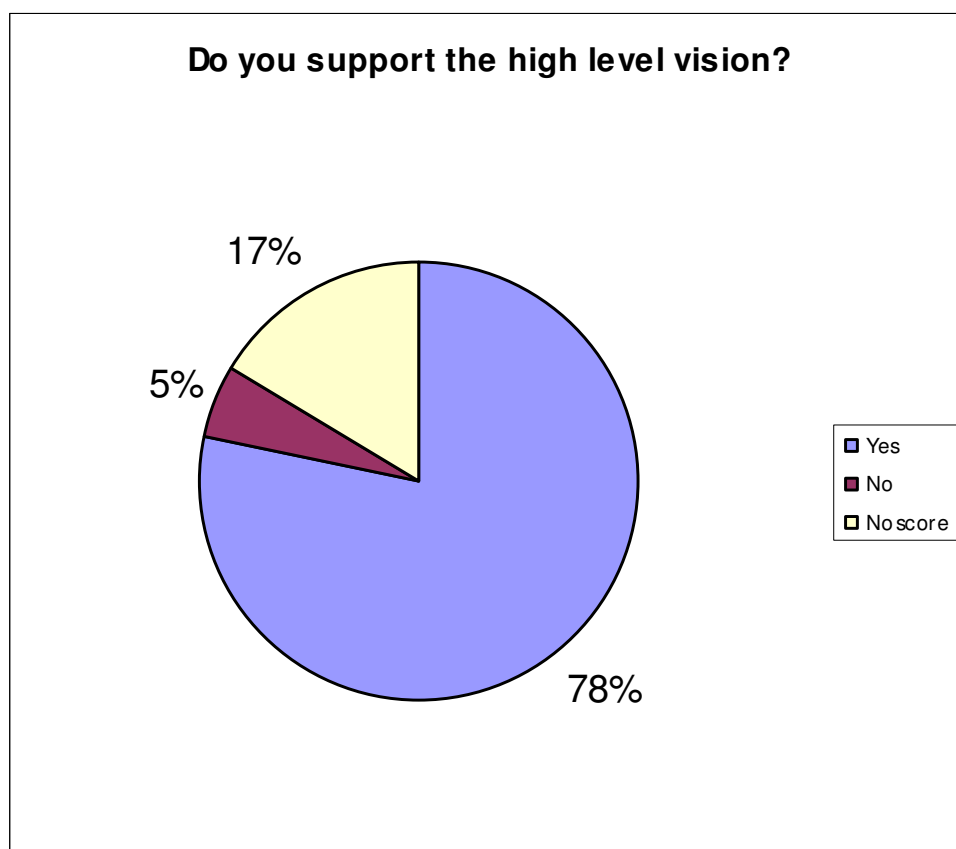


Chart 1: Results for the question 'Do you support the high level vision for the Walworth Town Hall?'.

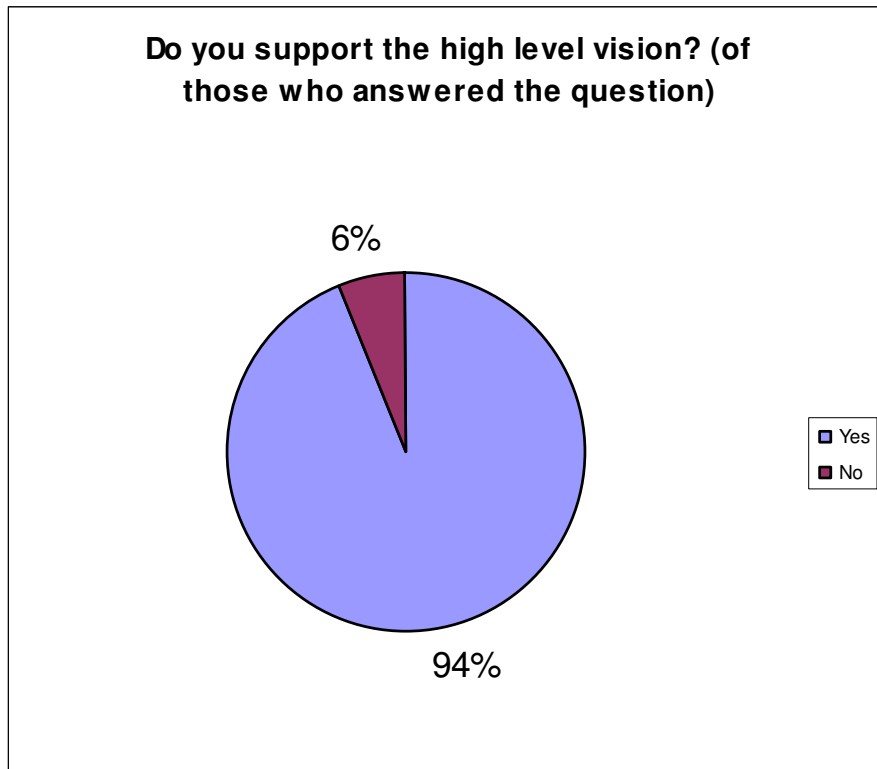


Chart 2: Percentage of those who answered the question 'Do you support the high level vision for the Walworth Town Hall?'

Question 2: Please rank in order from 1 – 5 the facilities you would most like to see at the rebuilt town hall

3.3 Having received 424 completed questionnaires the highest score that any of the five options could achieve would be 2120 based on each respondent scoring 5 and stating that they 'strongly support' the inclusion of that option within the rebuilt Town Hall building. Chart 3 below shows the total scores that each facility received with both the enhanced library and museum receiving the highest scores indicating greatest level of support.

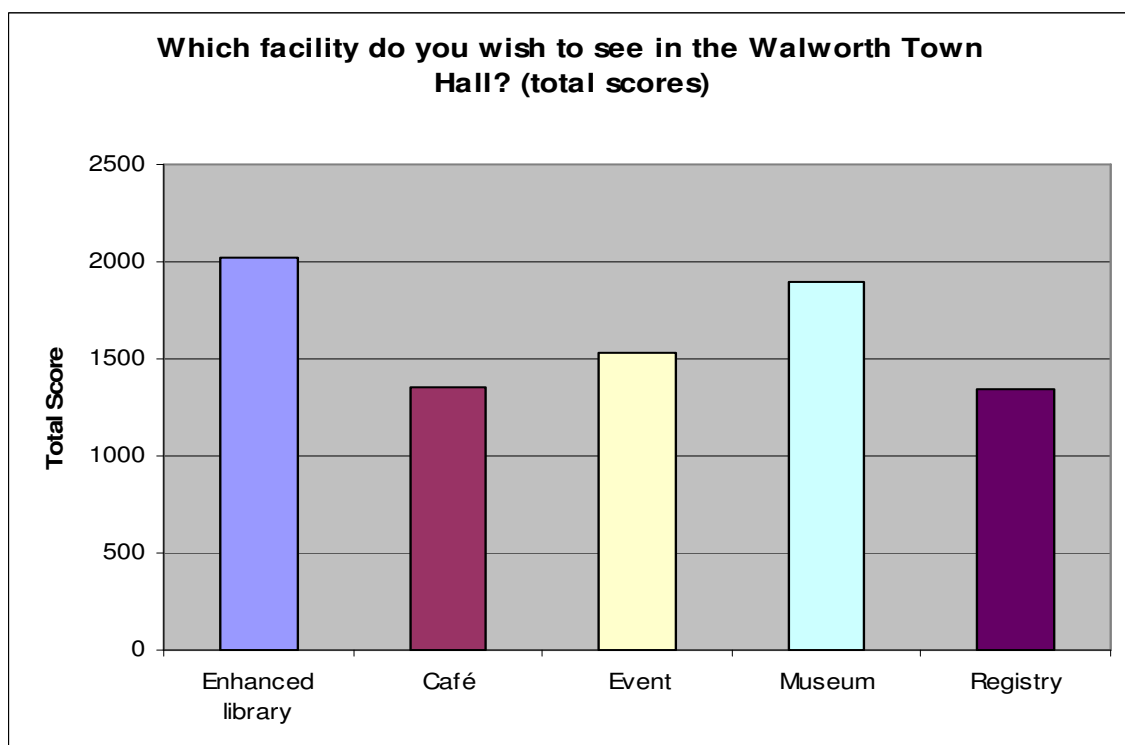


Chart 3: Total score for question 'Please rank in order from 1 – 5 the facilities you would most like to see at the rebuilt town hall.

3.4 When examining the average scores, in Chart 4 below, it shows that respondents scored over four for both the library and museum showing that there is significant support for these two facilities within the new building. Furthermore when examining the remaining three facilities within the strategic vision the scores show that on average there is not a negative attitude towards any proposals within the brief. If respondents were particularly against the inclusion of any of the facilities then the average score would be around the one or two figure.

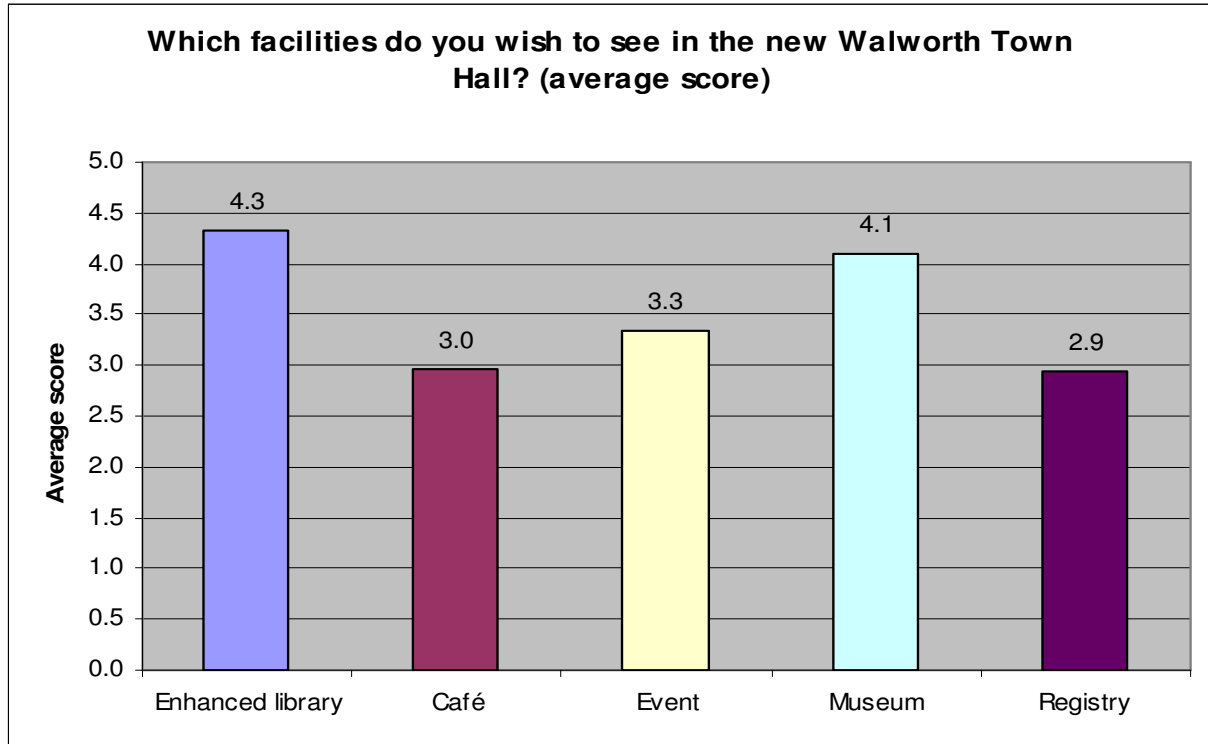


Chart 4: Average score for each facility listed in the questionnaire.

4. Analysis of Postal Questionnaire and Online Survey results

4.1 A total of 366 questionnaires were received either by post or the online survey representing 86% of all questionnaires received. Due to this significantly high percentage the below results are very similar to those for the overall consultation as above with an enhanced library and museum receiving the most votes.

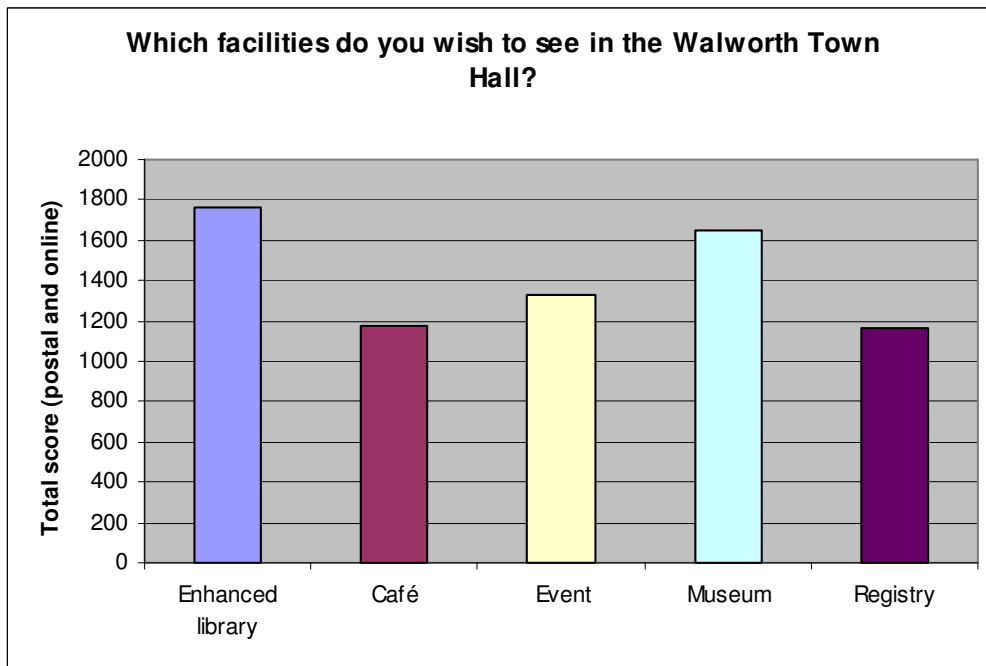


Chart 5: Total cumulative number for each facility listed in the questionnaire.

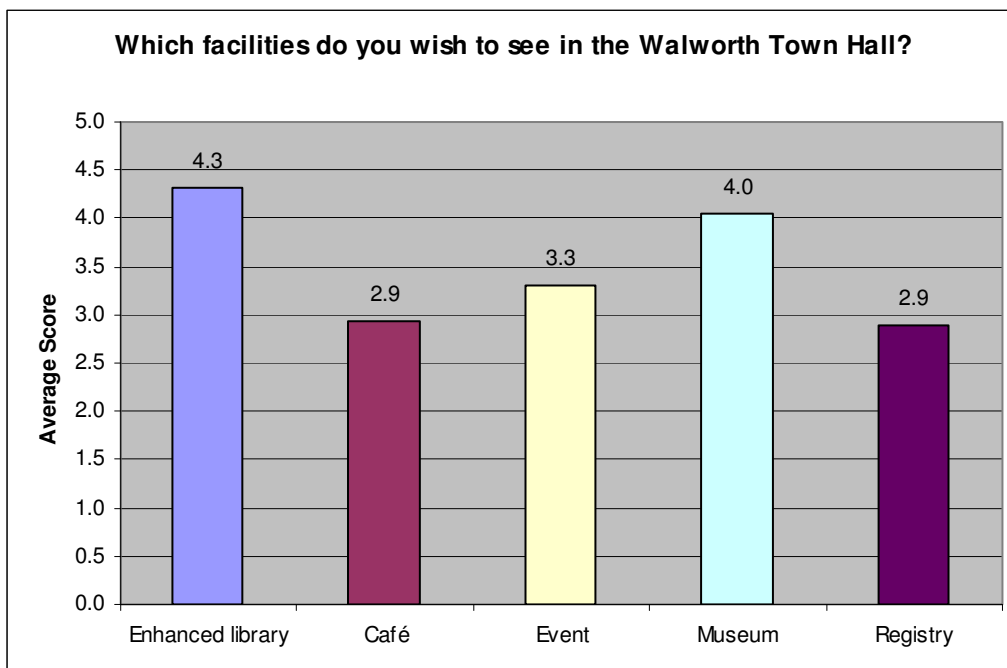


Chart 6: The average score for each facility listed in the questionnaire.

5. Other suggestions made

5.1 Those completing the questionnaire were also provided the opportunity to make further comments or suggest alternative facilities which they thought should be provided in the town hall building. The following is a list of the common suggestions received:

- Educational space (Reading, revising, early learning)
- One Stop Shop (Southwark offices for Southwark residents)
- Youth Centre
- Citizen's advice bureau
- Business centre (public services, Business training courses, learning centre, evening course centre)
- Local theatre/ film space
- Language centre (language courses, interpreting and translating department,
- Mental Health drop in
- Housing
- Activities for Mother and baby groups, under 5's and after school clubs
- An enhanced Children's library
- Disability advice centre
- Internet, Wi-Fi, printing, photocopying services
- ICT (ICT training help and advice about how to use computers (terminals for internet users and students)
- Meeting space (local community meeting space, longer opening hours, evening space, more communal seating, further community use)
- Council assembly room, archive collection, heritage books and services

6. Results of Stakeholder group meeting

6.1 The following summarises the meetings and events that the project team attended during the consultation period.

6.2 Borough and Bankside and Walworth Community Council meeting - 2nd October

A presentation was made to the attendees of the meeting and questionnaires were distributed, however most attendees had already received it in the post that day given that they lived within the Elephant and Castle Opportunity Area. Several key questions were raised by both councillors and members of the public that were:

- 1) What was the funding mechanism for the rebuild project?
- 2) Can the provision of youth facilities be considered?
- 3) What were the plans for the long term future of the Newington library building?
- 4) If the Newington Library was to remain closed, will an interim library will be provided?

6.3 Community Conversation at East Street Market - Saturday 2nd November 8am – 3pm

The project team, joined by the council's Community Engagement team, had a market stand at the market. Visitors to the market and also the local traders were asked to discuss their views of the Walworth town hall and requested that they complete a questionnaire. We also handed out the Walworth town hall FAQ which gave more in depth details on the Cuming museum collection and services, the condition of the building and the consultation purpose and process. 42 questionnaires were completed with the detailed results listed below.

6.4 Of those who answered, 90% supported the council's vision and 10% did not.

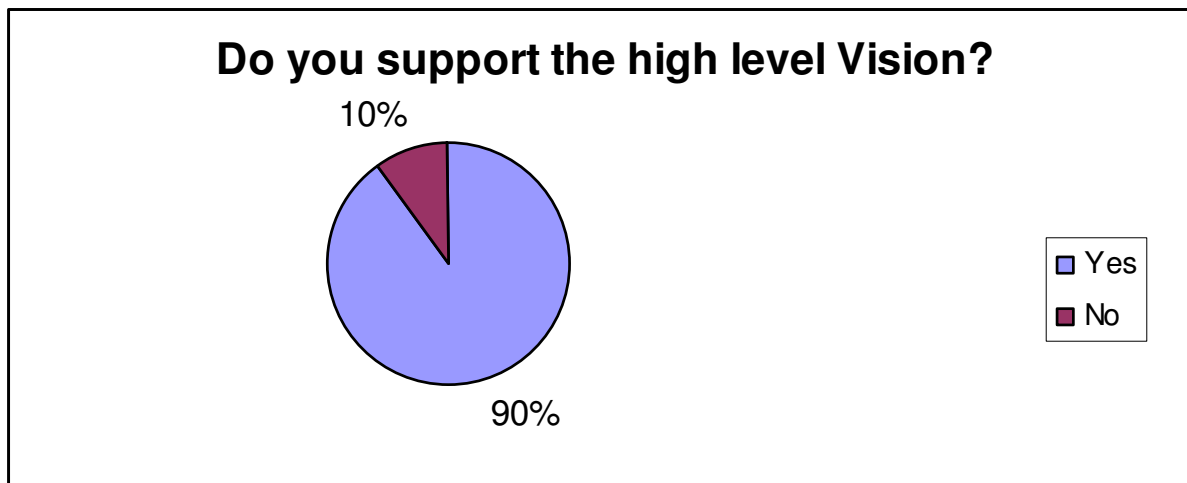


Chart 7: Community Conversation question 1 response results

6.5 When analysing the average scores from the community conversation event (as shown below in Chart 8) there are high levels of support for both the inclusion of the library and museum facility with both having an average score of over four. On average there was neither a positive or negative response towards the cafe, event space of registrar service with all spaces having an average score of three. These results mirror the same patterns of the overall consultation responses.

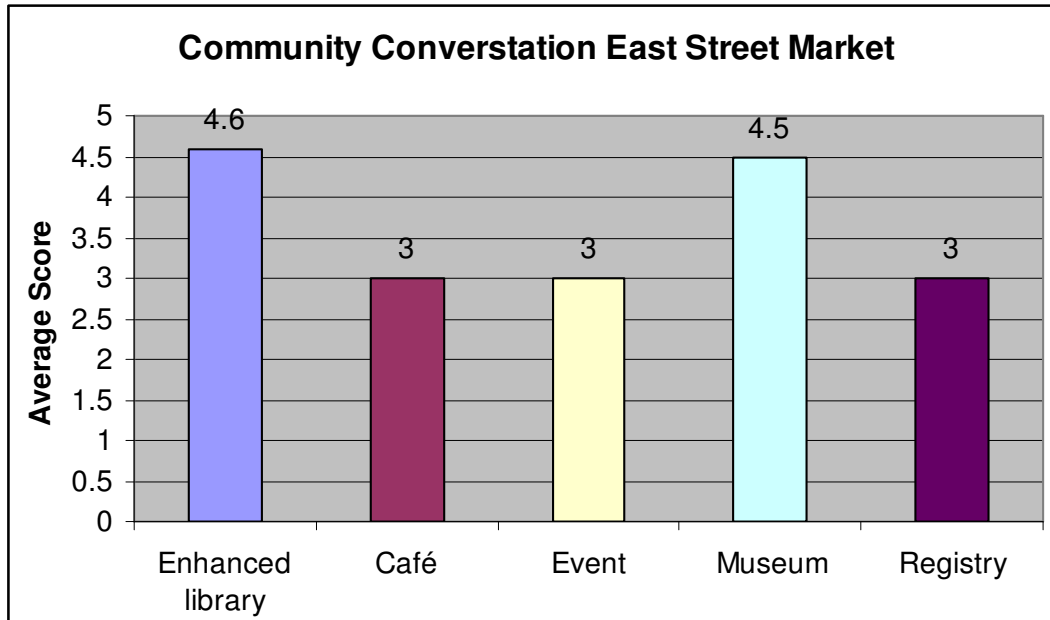


Chart 8: Community Conversation average response results

Walworth Society group meeting - 7th November @ 7pm

6.6 The Walworth Society are a local community group interested in the conservation and local heritage and history. As the Walworth Town Hall is a Grade 2 listed building it was important to engage with this group to ensure their views and comments are obtained. The meeting was attended by the Regeneration North Project Director and Project Manager and a presentation was made and questionnaires were distributed. No completed questionnaires were handed back at the meeting, however we did receive an informed summary email of the groups feedback by the Chair following the meeting:

6.7 Walworth Town Hall

- Walworth Society are supportive of the aspiration of a world class cultural and community hub at the heart of the Elephant & Castle.
- Supportive of the retention of the Walworth Town Hall as the primary location for this facility
- Group want to be consulted further on the detailed design brief for the facilities particularly library - hard to determine whether they support an enhanced library without knowing what the enhanced library would be.
- Group suggest a wider meeting is held with senior politicians and leaders of council to discuss the future of the town hall, library and community facilities that are to be provided within the Heygate masterplan.

6.8 Newington Library

- Concerns raised about the future of the library building however especially if library service moves in to the Walworth Town Hall.
- Newington Library viewed as an important historical and community asset which must not be lost.
- Support for any design process to incorporate the Newington Library building

Wansey Street and Garland Court residents meeting - 29th November @ 7pm

- 6.9** The meeting was attended by 5 residents of Wansey St / Garland Court and Cllr Martin Seaton and 3 questionnaires were completed and returned (see results below). Through the discussion at the meeting it was identified that in principle all were supportive of the proposal to provide a high quality cultural and community space at the Walworth Town Hall. All were not particularly concerned that the One Stop Shop was not included in the brief and agreed that the existing library building was not fit for purpose as a modern facility however services that it provided were well used.
- 6.10** Group did not feel a cafe was an important feature given the proximity to existing cafes on Walworth Rd. Residents were also concerned that a cafe would in fact end up as a wine bar / licensed premises for which residents of Wansey St would suffer the consequences (noise, litter etc) whereas the space that a cafe would occupy could be used to provide enhanced community facilities.
- 6.11** In addition there was a specific concern that a larger facility would result in more staff and therefore increased parking on an already busy Wansey St. There was a particular concern about the potential operational impacts that will result from an enhanced Town Hall and the proximity between the town hall building and Garland court, and potential overlooking issues at Ground Floor. The residents of Wansey Street and Garland Court wished to be kept up to date throughout the process, especially ahead of key decision making so that they can have the opportunity to comment and provide feedback before subsequently being told it is too late.
- 6.12** The three people who completed the questionnaire all stated that they agreed the vision for the Walworth Town Hall. Unlike the overall responses for the consultation strategy, the Wansey St residents scored the library and event space the highest with average scores of 5. All facilities except for the cafe, were all scored highly with an average score of over four.

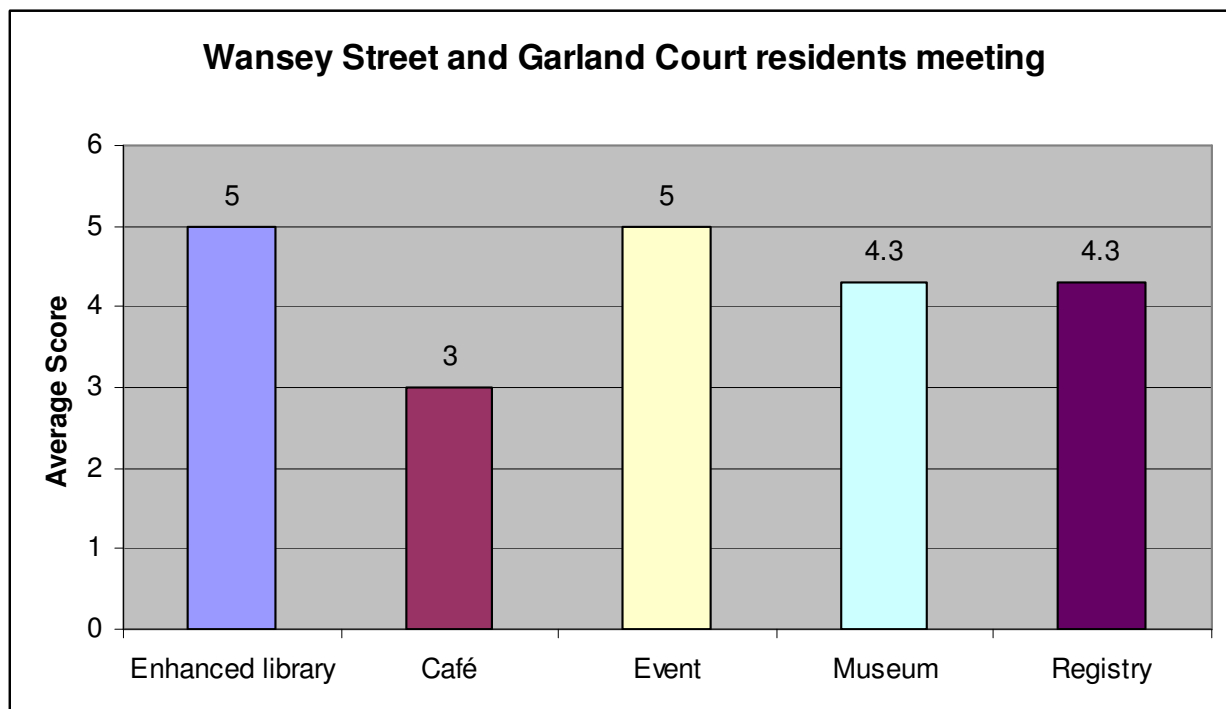


Chart 9: Wansey Street and Garland Court residents meeting average response results

6.13 Cuming under 5's play session - 14th November @ 10am

The under 5's play session was attended by members of the Regeneration North project team and there were 10 parent/carers, out of which 5 people filled in a questionnaire. Of the 5 which answered the question, 60% agreed with the high level vision for the Walworth Town Hall. One person left no comment and one person wrote unsure. Overall, the level of support for the vision was high with a general interest in the process of rebuilding the Town Hall.

6.14 The average scores, shown in the Chart 10 below, show high scores given to the library, event and museum space. When discussing the new town hall with the respondents there was particular interest in the new town hall providing space which can be made into a fun children's learning/educational space, local history space and a quiet area for children's play sessions. Furthermore the registrar service received a higher average score than compared to the overall responses and this can be attributed to the fact that the parents saw benefit in having a local registry service.

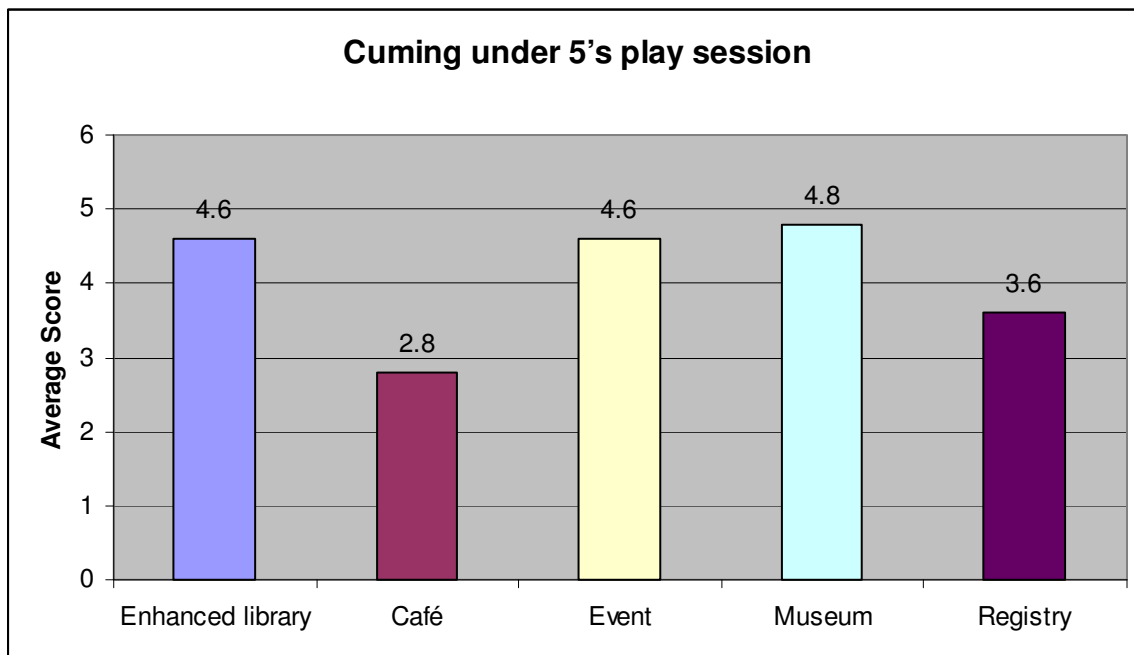


Chart 10: Cuming under 5's play session average response results

6.15 Latin American community meeting -19th November @ 7pm

The Latin American community meeting was attended by the Head of the Regeneration North who firstly explained the Southwark Council regeneration plans for the area and also focused on the vision for the rebuild of the Walworth Town hall. He explained how the fire affected the Cuming Museum, the Newington library and the listed town hall building as well as the council chambers. The attendees suggested that the new building should incorporate a communal space to act as a hub for Latin American community, as at the moment they don't have a proper public place in London where they can host regular meetings, share information, and cultural exchanges.

Lina Usma the meeting chair explained that most of the attendees received the questionnaires in the post and have returned them via the FREEPOST label.

6.16 Southwark Youth council meeting - 28th November 2013

The Senior Project Manager from the Regeneration North project team attended a meeting with the Southwark Youth Advisors attended by 8 youth panel members attended all of whom completed the questionnaires. The verbal feedback received at the meeting was primarily focused on the desire for a new purpose built youth centre / facility within the Walworth area. The panel members believed this could be provided within the rebuilt town hall building and could be a place where young people could meet, socialise and also have access to youth support services such as training, employment advice, after school activities and ICT training.

6.17 From the completed questionnaires 90% of the respondents supported the council's vision (one person leaving no comment). The completed questionnaires resulted in the registry office and cafe actually being scored the highest which is unusual given that at no point during the discussion any vocal support for these were raised. In comparison the enhanced library scored quite low with an average score of 2 indicating low level of support. However, in the meeting there was verbal support for this as there would be educational opportunities for young people within an enhanced library. Therefore there is the distinct possibility that the respondents misinterpreted the scoring system however a good level of detailed feedback was received from attending the meeting and the group will continue to be engaged throughout the design and planning stage.

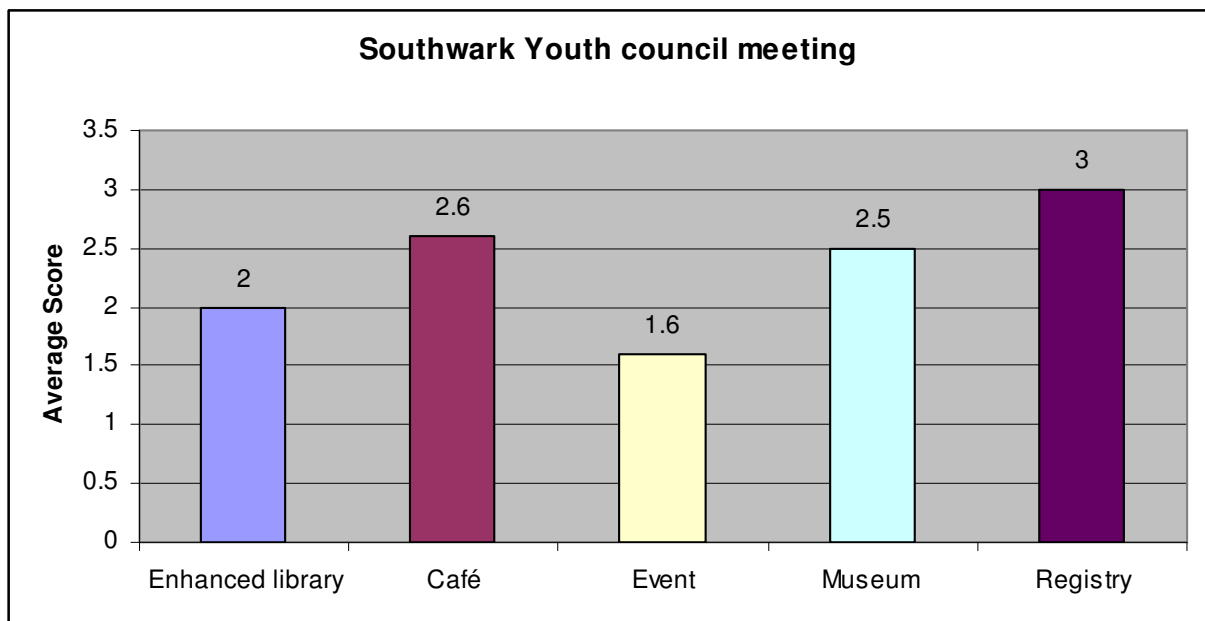


Chart 11: Southwark Youth council meeting average response results

Walworth Town Hall Project Mandate

1. Introduction

The purpose of this Project Mandate document is to outline the high level project objectives for the rebuilding of the fire damaged Walworth Town Hall, an outline programme for the next stages of the project and the internal project governance structure to lead on the delivery of the project and decision making. As the project progresses this mandate document can be revised and reissued accordingly especially in terms of the high level design brief and governance structures.

2. Site Boundary

Following feedback received during the public consultation exercise, and also due to the fact that the Town Hall and Newington Library buildings are closely connected in physical and functional terms, two boundary scenarios are to be tested in terms of their ability to meet the design brief.

Boundary One



This scenario will test the ability of the existing Town Hall as a stand alone building to accommodate the high level brief and meet the aspirations of the Council.

Boundary Two

This scenario incorporates the adjacent Newington Library building providing a much larger footprint to accommodate the high level brief however again with constraints associated with both buildings being Grade 2 listed.

3. Design Brief

In July 2013 Cabinet approved a high level vision for the Walworth Town Hall which included the following key priorities for the future use of the building;

- An enhanced Library space.
- A space for the display of the Cuming collection and potentially a Southwark museum
- A flexible space that could be used for a variety of purposes including community and civic events, exhibitions and performances
- Facilities for marriage, civil partnership and citizenship ceremonies undertaken by the Southwark registrar's service

Service leads have subsequently further developed this vision statement for each facility as listed below. An important element of these key functions is that there is flexibility in their uses and design to maximise the opportunities that the completed scheme will provide for.

Library

The provision of a high quality, modern fit for purpose library within the Town Hall building was the facility that received highest levels of support during the public

consultation exercise. It is therefore important to be clear from the outset exactly what the key deliverables are to ensure that the library meets the needs of the both the library service and the customers who are going to use it. The vision and specification for re provision of Newington Library will continue the themes within the ongoing modernisation programme for Southwark libraries which has delivered new buildings and significant refurbishments since 2000.

Front of house provision

- Fully accessible space for all users with lift access if on more than one floor
- Open plan spaces which are zoned to designate specific activities e.g. children's library; quiet reading zone, quick choice
- Open plan spaces which are easy to supervise and navigate
- Sufficient space for self service technology for ease of use by the public and completion of basic transactions
- Study facilities for up to 100 people across the public space separate to the museum galleries
- Both wall mounted and free standing shelving to accommodate a comprehensive range of stock for loan and reference for all age groups
- Flexible design of space so we can use the spaces for maximum benefit
- Sufficient public toilets with baby changing facilities and adult changing facilities for people with disabilities
- Retail space so we can have local history publications, post cards etc for sale

Back office / staff accommodation

- General office space which could be shared with others in the building
- Secured library work room for administration functions including cashing up
- Staff rest area with small kitchen / dining space.
- Separate staff toilets – this could be shared with staff from other facilities within the building.

Museum

The second most supported facility within the Town Hall is a museum facility to house the Council's Cuming collection. The new building serves as an opportunity to bring all aspects of the council's art and heritage collections together, as well as to combine them successfully with the library and community needs of the borough.

This includes making provision for the display of items from the collections throughout the building and not only in the designated Museum space. The spaces would be welcoming, interesting and integrated and showcase the best of the borough's collections, stories and memories. A new museum for Southwark gives us a unique opportunity to rethink how we present this collection alongside the other key elements of the Heritage Service. In addition to the Cuming collections, Southwark's historic collections comprise:

- The Local History and Archives service which is currently located at John Harvard Library
- The art collection which is held in secure storage
- The historic book collection which is located in Newington Library

Front of House requirements for the Heritage Service

- Welcome and enquiry point

- Appropriate lighting and environmental conditions to international museum standards and separate from other building lighting and control
- Museum quality, permanent, secure exhibition galleries telling the story of Southwark and showcasing the Cuming collections and other material
- Museum quality, permanent and secure exhibition space for art collections
- Museum quality temporary exhibition gallery: this space give us the ability to programme regular changing exhibitions giving more access to other aspects of our collections
- At least 2 flexible learning spaces adjoining each other, each large enough to hold class visits and talks and events / screenings of films and archives. These two spaces will be able to be opened in to one if needed.
- Associated toilet and washing facilities for children (toilets need to be able to be supervised, for safeguarding purposes, and able to accommodate group visits)
- Secure research room to enable the public to engage with archives and museum collections
- Museum quality secure collections store for primary material adjoining the research room

Back Office requirements

- Secure work room space for the Heritage staff to carry out collections and documentation work. Needs to accommodate the working paper files for both museum and archive collections
- Secure space to prepare artefacts and items from the collection for exhibition and display and for equipment, cases and materials needed to put up and take down the building's exhibitions
- Office space to complete the routine administration and management tasks alongside other staff
- Meeting rooms for private meetings as well as staff meetings (shared, bookable spaces with all staff)
- General storage space

Flexible event / exhibition space

Feedback received during the public consultation indicates that there is clear support and potential demand for a multi-functional space that is available for hire from local groups as well as providing space for events or performances. This space could offer a potential source of revenue generation through its hire. The selection and appointment of architects offers an opportunity for the council to request precedent studies of similar such spaces around the country to better inform the council in its approach to this space. At this stage however the council envisage the space as capable of:

- Holding performance arts events
- large public meetings or conferences
- Museum or cultural exhibitions
- Family party or celebratory events
- Civic events such as citizenship ceremony

The building shall accommodate a drop and go style café, serving coffees, sandwiches, light refreshments and snacks. The cafe space shall be open to members of the public, whether using the Town Hall facilities or not and therefore must be centrally located and easily accessible. The café will have an associated seating area for visitors to socialise and rest. Any proposals for the food area will need to comply

with food safety regulations. The public facing cafe area should accommodate dedicated space for front loading vending machines.

Registrar Service

- Large ceremony room for citizenship ceremonies and wedding/civil partnerships
- Small ceremony room for same
- Ancillary spaces for registrar administration functions
- A 'grand' entrance and exit space
- Disabled access is key throughout

Conservation and heritage

Any design proposals for the Walworth Town Hall will have to take full account of its historical assets. The impact of the fire on both the Grade 2 listed facade and interior historical features will be informed by a programme of surveys that have been commissioned including a building condition survey and architectural condition survey. Close liaison will be required throughout the design process with both English Heritage and the Council's Design and Conservation Manager to ensure that any proposals for alterations to the previous layout are acceptable.

The design brief to architects will include the following completed surveys to help inform their work:

- Structural Condition Survey
- Architectural Condition Survey
- Measured 3D survey of building

Accessibility

All areas of the building, under either boundary scenario, must be fully DDA compliant ensuring full accessibility for both staff and visitors. A drop off and collection point for disabled visitors should also be provided and this should be considered in conjunction with the emerging proposals for the new Walworth Square, approved as part of the Outline Masterplan for the redevelopment of the Heygate Estate.

Servicing

In order to service the building, especially the library and museum functions, a loading bay is required to be provided with a goods lift. The lift must be large enough to accommodate large items such as those delivered for the museum.

No car parking spaces are required for staff or visitors and secure cycle storage for staff must also be provided within the building.

Heygate Redevelopment

Any proposals for the rebuilt Walworth Town Hall must take in to account the approved outline masterplan for the Heygate Estate and in particular the detailed proposals for 'Masterplan Phase Two' (MP2) which are expected to be developed during the same period of time as outlined below. The appointed design team will be expected to work closely with the Lend Lease project team leading on MP2 to identify opportunities to deliver mutually beneficial designs.

4. Programme

The current anticipated programme for appointment of architects is as set out below and updates and progress will be reported regularly via the project board. These indicative dates are based on undertaking the procurement process through an existing framework agreement and subject to approval of the required Gateway reports.

March 2014	Procurement Gateway 1
March 2014	Screening letter distributed to architect long list. Submissions received and evaluated. Preferred list of ten practice confirmed
April 2014	Vision document and supporting material distributed to preferred list. Submissions received and evaluated. Preparation of design competition brief
May – June 2014	Short list confirmed and two month design competition undertaken
July 2014	Public consultation on design submissions
Summer 2014	Internal review of public consultation feedback. Gateway 2 seeking approval to appoint selected architects. Detailed design brief drafted.
Autumn 2014	Cabinet report

5. Governance and Project Management

Governance

A clear and defined management structure is essential for the successful management of a large and complex capital project of this nature. A summary of the proposed project arrangements are set out below.

Project Board

A Project Board will be established at the outset and will meet at regular intervals. The Board will be responsible for the following:

- Sign-off of procurement and design stages
- Consultation and communication for the project
- Monitor Budget
- Monitor Programme
- Monitor Risks
- Change Control

The Board will have the final sign off of strategic documents relating to project delivery, procurement and budget. The Board will consist of a:

- Project Executive – the lead officer with overall accountability for the delivery of the project. In addition the project executive will be responsible for regular reporting on progress to the Cabinet Member for Regeneration and Corporate Strategy.

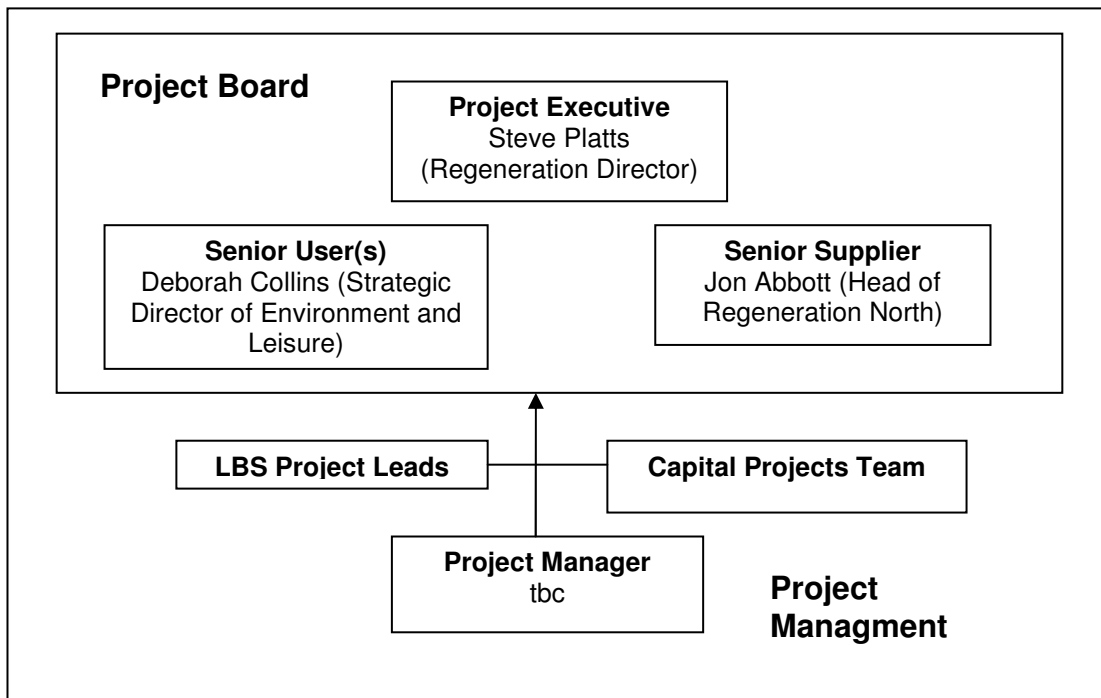
- Senior User – the lead Client representative, in this case the Strategic Director of Environment and Leisure. The role of the Senior User is to represent the client interest and to ensure that the design of the scheme meets their requirements
- Senior Supplier – represents the Project Management Team and is responsible for reporting on project progress, in this case the Head of Regeneration North.

Project Management

The 'Project Management Team' will consist of:

- A Project Manager who will be a representative of the design team.
- A Project Leads will represent the internal user groups, in this case the council's Culture Libraries Learning and Leisure service . This officer will be responsible for providing the user requirements for the library, museum, and registrar services

The above team will be responsible for providing clear updates to the Project Board and communicating executive decisions to the Design Team. The role of the team may also extend to managing public relations and co-ordinating consultation.



Item No. 21.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Disposal of 23 Harper Road, London SE1	
Wards affected:		Chaucer	
From:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

Southwark Council is committed to ensuring that we are securing maximum value for money for the residents of the borough. Part of this work has included the accommodation review that we agreed in November 2010 that has resulted in reducing the number of buildings that the council operates from. One of the buildings identified for sale as part of that process was the former children's social services offices at Harper Road.

This report deals with the sale of that building. The proceeds from this sale will contribute towards the costs of the council's capital programme, as set out elsewhere on this meeting's agenda.

RECOMMENDATIONS

That the Cabinet authorises

1. The disposal of the council's freehold interest in 23 Harper Road, London SE1 ("the Property"), as shown edged black on the attached report, to the party and on the terms outlined in the closed version of this report subject to any further negotiations considered necessary by the Head of Property;
2. The disposal of the Property to an alternative bidder should the recommended purchaser not enter into contracts within a reasonable period as long as the transaction continues to represent the best consideration reasonably obtainable.

BACKGROUND INFORMATION

3. On 23 November 2010, cabinet approved the second phase of the office modernisation programme. This provided for the disposal of the Property once surplus to operational needs. Following reorganisation of office space the Property is now available for disposal.
4. The council are the freeholders of the Property edged in black on the attached plan at appendix 1. The Property was formerly in operational use by Children's Services. Following the reorganisation of office space the Property is no longer required and is surplus to the council's requirements.
5. The Property comprises a two storey 1950s-built office to the front of the site and a later single storey office building to the rear with an open area used for car parking. Both buildings are in poor condition and are reaching the end of their

economic lives.

6. The Property is designated in the Southwark Core Strategy as part of Proposals Site 10P; a predominantly residential development site, with the possibility of other appropriate uses. The part of this Proposals Site owned by Southwark Council and referred to here covers around 1600 square metres/0.4 acres approximately. Officers investigated whether a joint arrangement could be made with the owners of the adjoining site which makes up the remainder of Proposals Site 10P but due to their specific requirements this was not possible.
7. Following a tender process in October 2013 the council appointed BNP Paribas Real Estate (BNPPRE) to market for sale the Property by informal tender. In conjunction with the council's property team the appointed agents prepared a comprehensive pack of background information and specialist reports related to the Property to help inform potential bidders. Also included was a planning brief prepared by BNPPRE and agreed with the council's Planning Policy Team.
8. The property was marketed from November 2013. Around 150 enquiries were received by the council's agents during the marketing period.
9. The property is held in the council's general fund.
10. The closed agenda report carries details of the offers received and for reasons of commercial confidentiality it is not possible to report these on the open agenda. The transaction being recommended will allow the redevelopment of the Property for residential use in due course. It is confirmed that the offer being recommended is the best consideration reasonably obtainable and meets the council's statutory duties under the Local Government Act 1972 section 123.
11. The head of property recommends that the council proceed with this sale as it meets all the relevant financial criteria and will result in a significant capital receipt. It will permit the regeneration of the site and the provision of extra housing. Proposals will be subject to planning consent in the usual way and to affordable housing requirements.
12. It is intended to complete the sale of the Property as soon as possible. If the sale does not proceed for whatever reason, this report also seeks authority for the Property to be offered to the next best deliverable offer from the marketing process, or failing that for the property to be re-offered on the market, and then sold for the best consideration that can reasonably be obtained.

KEY ISSUES FOR CONSIDERATION

13. Councils are required to dispose of surplus property assets subject to best consideration requirements. Specifically, the council has a duty under Section 123 of the Local Government Act 1972 to obtain the best consideration reasonably obtainable for the Property. The head of property confirms that the sale of the Property as recommended will comply with these requirements and the price achieved is the best reasonably obtainable at this time.
14. The preferred bidder proposes a residential development.
15. When it is delivered, the redevelopment of the Property should have benefits for the local community including the provision of new housing across a range of tenures. The sale of the Property should ensure that it is brought back into

beneficial use.

16. The Property will be offered with full vacant possession prior to completion of the sale. The council does not own any interest in any of the companies bidding.
17. The substantial capital receipt that will be generated as a result of the sale of the Property is needed as a contribution to the council's Capital Programme.
18. As the Property is held in the council's general fund it is considered less suitable for the council's scheme of Direct Housing Delivery Programme than sites already held in the Housing Revenue Account.

Policy implications

19. The disposal of the property will generate a substantial capital receipt which will be used to provide capital funding in support of the council's key priorities.
20. The environmental improvements arising from the redevelopment or refurbishment of the buildings on this site will assist the council in meeting its cleaner, greener and safer agenda. All new dwellings arising from the redevelopment will have to meet a minimum level 4 of the code for sustainable homes.

Community impact statement

21. The decision is believed to have minimal impact on local people and communities. However, the capital receipt to be realised as a result of the transaction will assist with delivery of the council's corporate objectives, achieving its stated budget principles and working together with communities towards a 'fairer future for all'.
22. Any planning application seeking to redevelop or change the use of any part of the Property will have to conform to the requirements of the local development framework and will be subject to the statutory consultation process.
23. Redevelopment of this site will be likely to have a positive effect on the local environment and streetscape.

Resource implications

24. This proposal will generate a capital receipt, expected in the financial year 2014/15.
25. The buyers will also make a contribution towards the council's administration costs.
26. There will be no loss of income from the site arising from the disposal. Disposal will remove the need for expenditure on void management and running costs.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

27. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation.

Section 123 of the Local Government Act 1972 is a pre-commencement statute which imposes limitations on the Council's power of disposal.

28. Section 123 of the Local Government Act 1972 states that except with the consent of the Secretary of State, a council shall not dispose of land under that section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
29. The report indicates in paragraph 10 that the consideration is the best that can reasonably be obtained.
30. Cabinet may proceed with the approval of the recommendation.

Strategic Director of Finance and Corporate Services (FC13/095)

31. This report seeks cabinet approval to for the disposal of the freehold interest n 23 Harper Road, London SE1, with the capital receipt supporting the council's capital programme. The financial implications are detailed in the closed version of this report.
32. The strategic director for finance and corporate services understands that the council endeavours to obtain best market value, considering factors such as conditionality of the offer. The report confirms that the offer being recommended is the best consideration reasonably obtainable.
33. Reasonable costs associated with the disposal will be met from receipts and officer time to implement this decision will be contained within current resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	OS plans, indicating the property – edged black

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Christopher Rhodes, Principal Surveyor	
Version	Final	
Dated	6 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		6 March 2014

Date 21/1/2014



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Item No. 22.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Motions Referred from Council Assembly	
Ward(s) or groups affected:		All	
From:		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 22 January 2014 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	Report on the council's website	Lesley John Constitutional Team 020 7525 7228
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&MId=4577&Ver=4		

LIST OF APPENDICES

Number	Title
Appendix 1	No Recourse to Public Funds
Appendix 2	Housing for Older Residents
Appendix 3	Active Communities and Older People
Appendix 4	Cost of Child Care
Appendix 5	London Housing Strategy
Appendix 6	Urgent Review of Cycle Safety
Appendix 7	Safer Crossings on Borough High Street
Appendix 8	East Dulwich Police Station
Appendix 9	Billboard Advertisement at Elephant & Castle Roundabout
Appendix 10	Tribute to Grace Jones

AUDIT TRAIL

Lead Officer	Alexa Coates, Principal Constitutional Officer	
Report Author	Lesley John, Constitutional Officer	
Version	Final	
Dated	6 March 2014	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Chief Executive	Yes	No
Strategic Director of Environment and Leisure	Yes	Yes
Strategic Director of Housing and Community Services	Yes	No
Strategic Director of Children's and Adults Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	6 March 2014	

NO RECOURSE TO PUBLIC FUNDS

At council assembly on Wednesday 22 January 2014 a motion entitled “No Recourse to Public Funds’ was moved by Councillor Toby Eckersley and seconded by Councillor Michael Mitchell. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

RECOMMENDATION

1. That council assembly notes the increasing budgetary pressures caused by recourse to council funds by persons who, by virtue of their immigration status, have "no recourse to public funds", and in particular the advice in respect of adult services provided to cabinet on 19 November 2013 as follows:

"Clients with no recourse to public funds are 25% higher than the previous year"

2. That council assembly recognises that this is an important issue which does not stop at the borders of the borough. Council assembly therefore calls on cabinet to review Southwark’s position and to look into what more government could do to address this on a London-wide basis.

HOUSING FOR OLDER RESIDENTS

At council assembly on Wednesday 22 January 2014 a motion entitled 'Housing for Older Residents' was moved by Councillor Adele Morris and seconded by Councillor Michael Bukola. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

RECOMMENDATION

That council assembly:

1. Notes that suitable housing for older people in London remains in serious short supply and that demand is only likely to increase as our borough's population ages.
2. Recognises that there is a growing need for housing for older people to offer a range of different tenures and support options, including mainstream, specialist and residential care housing.
3. Welcomes this administration's commitment to supporting older people to stay independent in their own homes for as long as possible, in line with what people tell us they want.
4. Recognises that there has been a collapse in house building of all types nationally due to Liberal Democrat/Tory government policies and welcomes the steps that Southwark Council is taking to combat the London housing crisis.
5. Notes that 61% of the older population in Southwark are tenants of social landlords and welcomes the commitment by this administration to build 11,000 new council homes in Southwark – representing the biggest home building programme of its kind in the country.
6. Welcomes the cabinet's commitment through the housing strategy vision to building lifetime homes, delivering extra care housing, exploring other specialist housing options for older people, and adapting properties to enable older and disabled residents to live independently as long as possible in their communities.
7. Welcomes this administration's commitment to ensuring new homes are built to 'Lifetime Standards', making it easier to adapt homes to meet future changing needs.
8. Further welcomes the cabinet's allocation of £4.712 million for energy efficient measures in district heating, making the systems more energy efficient, reliable and contributing to a reduction in fuel bills for approximately 17,000 properties in the borough.

9. Welcomes the development of new 'extra care' homes at the site of the new Centre of Excellence, which will include specialist nurses on site, helping to keep people out of hospital or residential care unless necessary and giving residents access to first class services at the new dementia day centre.
10. Calls on the cabinet to continue to support older people who wish to downsize to smaller homes on the same estate. Council assembly welcomes the fact that older people are currently exempt from the government's bedroom tax and congratulates the Chartered Institute of Housing for pointing out the flaw in the government's policy, which would have meant pensioners living with someone of working age would be hit by the tax. Council assembly calls on the cabinet to press the government to continue to ensure older people are not hit by the bedroom tax in an attempt to force them to downsize.
11. Notes that whatever campaign they run, the Liberal Democrats consistently propose building something on the Dulwich Hospital site. The proposed retirement village set out in this motion adds to the growing list the Liberal Democrats have suggested for the site, which includes a medical centre, a primary school, a secondary school, private homes, a nursery, a police base, sports facilities, gardening facilities, indoor community space, council offices and space for voluntary organisations. Council assembly believes that people in East Dulwich deserve better than an uncosted and ill considered shopping list from the Liberal Democrats.

ACTIVE COMMUNITIES AND OLDER PEOPLE

At council assembly on Wednesday 22 January 2014 a motion entitled 'Active Communities and Older People' was moved by Councillor Rebecca Lury and seconded by Councillor Lorraine Lauder. The motion was agreed and stands referred to the cabinet as a recommendation.

RECOMMENDATION

1. That council assembly welcomes this administration's commitment to supporting people to live long, healthy lives, and to helping older people stay independent in their own homes and integrated in our communities for as long as possible – in line with what people tell us they want.
2. That council assembly recognises that the 22,000 older people in Southwark form a very diverse group, including people who are: in their sixties through to people over 100; retired or in employment; carers (for example, for elderly parents, a partner or grandchildren); in full health, ill or frail; or disabled - as well as being diverse in terms of gender, ethnicity, sexuality and faith and belief.
3. That council assembly also recognises that almost all of the council's strategies and policies affect older people – including on the economy, environment, transport, regeneration, culture and leisure, community safety, housing, health and social care.

Helping older people have healthy, active lives in our community

4. That council assembly notes the good work that the administration, across all departments, does with older people to help them stay healthy, active and integrated in our communities, including, for example:
 - (1) Providing employment support through Southwark Works and the independent living service.
 - (2) Enabling volunteering opportunities through our volunteering strategy. We applaud the valuable Olympics and Paralympics contribution that Southwark volunteers of all ages made, including older people.
 - (3) Offering reduced price or free access to physical activity for older people - including 60 pence swimming; free exercise classes; free group walks; and the 'Silver' programme in leisure centres.
 - (4) Working with GPs and hospitals to provide community exercise referrals and supporting older people identified through the health check programme to access physical activity as a preventative measure.

5. That ensuring new homes are built to 'Lifetime Standards', making it easier to adapt homes to meet future changing needs.
6. That tackling health inequalities and the addressing the causes of the borough's health challenges – including cardio-vascular disease, stroke, lung diseases, liver diseases cancers, diabetes, and sexually transmitted diseases – to help people live longer, healthier lives.
7. That council assembly recognises the excellent work done by voluntary and community organisations across the borough to help older people stay active and integrated in our community.

Caring for vulnerable and frail older people in our community

8. That council assembly notes that government cuts since 2010 have taken over £1.2 billion out of social care for older people in the UK. Despite these cuts, this administration has prioritised looking after vulnerable and frail people in our community, aiming to treat every person as we would wish a member of our family to be treated.
9. That council assembly welcomes the steps this administration has taken to help older people stay living independently in their own homes and communities for as long as possible and delaying or avoiding the need for hospital or residential care - in line with what people say they want, including:
 - (1) Halving the price people pay for meals on wheels to £1.71, the lowest price in London – after the price was hiked under the previous administration.
 - (2) Agreeing plans to create a 'Centre of Excellence' day centre for older people with dementia and other complex needs – due to open in 2015 with enhanced, specialist facilities and guaranteed places for everyone using the council's existing day centres.
 - (3) Working with partners - including Lambeth Council, hospitals, GPs and others – to integrate health and social care provision through the Southwark and Lambeth integrated care programme; helping people to avoid preventable hospital admissions.
 - (4) Providing personal budgets to people who need social care, giving them choice and control over the support they have, to best fit their needs and aspirations. Southwark Council is in the top quartile of performance nationally for personal budgets.
 - (5) Creating an 'Innovation Fund' to provide funding to voluntary sector providers, creating new services which give people real choice over how they allocate their personal budgets.
 - (6) Creating a single social care phone line for people to get on-the-spot advice for themselves or their loved ones from social care experts.

- (7) Helping people stay living healthily and independently in their own homes and communities for longer, through home care; reablement; sheltered housing (where we recently reintroduced wardens); and an expansion of extra care housing – as well as our handyperson service.
- (8) Signing up to Unison’s Ethical Homecare Charter and ensuring that workers providing care services are paid the London Living Wage and that care visits are not as short as 15 minutes.
- (9) Creating a new carers’ strategy, to provide carers – many of them who are older people themselves - with support in their caring responsibilities and also support for themselves to stay healthy and pursue their other aspirations alongside caring.

Comments of the Strategic Director of Children's and Adults Services

- (1) The recommendation sets out the progress that has been made by the council in delivering services that promote the independence and wellbeing of older people.
- (2) A key way that this will now be taken forward is through increased partnership working, including the use of pooled budgets, with health and other partners on the Health and Wellbeing Board. This is set out in the Better Care Fund and vision for integration also on the cabinet agenda.

COST OF CHILD CARE

At council assembly on Wednesday 22 January 2014 a motion entitled 'Cost of Child Care' was moved by Councillor Rosie Shimell and seconded by Councillor Lisa Rajan. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

RECOMMENDATION

That council assembly:

1. Recognises the significant cost of good quality childcare for families across the borough.
2. Therefore condemns the Liberal Democrat/Tory cuts to financial support available for working parents for childcare costs. Notes that in 2011 the government cut support within the tax credit system from 80% to 70% of eligible childcare costs, with a cap of fees at £175, meaning low income families faced a reduction in help towards childcare bills. Council assembly also condemns the Liberal Democrat/Tory government for failing to raise the £175 ceiling despite the rise in childcare costs.
3. Further condemns the Tory-Liberal Democrat coalition government's closure of over 500 Sure Start centres since the general election in 2010, resulting in 35,000 fewer childcare places, following government cuts of £430 from English local authority Sure Start budgets between 2010-11 and 2012-13.
4. Welcomes the previous Labour government's decision to extend childcare to 15 hours per week for 3 and 4 year olds and notes that in Southwark, 3,300 3 year olds and 3,670 4 year olds are benefitting from these funded early education places. Notes that the government has now extended this provision to 20% of two year olds in families on the lowest incomes. Council assembly welcomes this additional provision, but notes that this is against a backdrop of punishing families through the tax credit system and making it harder for parents who want to work and need support with childcare.
5. Calls on cabinet to help local parents by funding additional childcare hours on top of those already offered by the government.
6. Welcomes the commitment that a Labour government would increase this provision and provide 25 hours of free childcare a week for working parents with three and four-year-olds, worth £15,000, using a levy on banks.
7. Further welcomes Labour's commitment to offer "wraparound" provision between 8am and 6pm – from breakfast to after-school clubs – in primary schools.

LONDON HOUSING STRATEGY

At council assembly on Wednesday 22 January 2014 a motion entitled 'London Housing Strategy' was proposed by Councillor Mark Williams and seconded by Councillor Helen Hayes. The motion was agreed and stands referred to the cabinet as a recommendation.

RECOMMENDATION

1. That London is facing a housing crisis, as housing supply fails to match the city's growing population. Home ownership in London has fallen below 50 per cent for the first time since records began and the rise in house prices has outstripped the increase in household incomes. In 2013, the average rent for a three bedroom flat typically consumed 59 per cent of a London family's income. Londoners now experience the highest levels of overcrowding in the country and the capital has record levels of homeless households in temporary accommodation.
2. That council assembly notes the Mayor of London's draft Housing Strategy and welcomes the commitment to increase housing building in London. Council assembly notes the ambition to build at least 42,000 new homes in London per annum for the next ten years, approximately twice as many as are currently built per year, but expresses concern that this number may not be sufficient to solve London's current housing crisis, with recent research suggesting that more than 60,000 new homes a year are needed to meet growing demand in the capital.
3. That council assembly welcomes the fact that the Mayor of London has accepted Labour's argument about the importance of genuinely affordable housing and welcomes the move in the Mayor's Housing Strategy to recognise the continued need for new homes at social rent.
4. That, however, council assembly expresses concern about the balance between "discounted rents", which are set well above target rent levels for social housing but below market rents, and "capped rents" which are equivalent to the current social rent.
5. That of the 15,000 new affordable homes that the Mayor will seek to deliver each year:
 - Approximately 4,000 will be flexible low cost home ownership and 9,000 will be affordable rent.
 - Of the 9,000 affordable rent houses, only half of these homes will be "capped" at low affordable rents, with the remaining half set at "discounted" rents of up to 80% of market rent.

6. That this means that social rented housing makes up only 11% of the Mayor's annual housing target.
7. That council assembly expresses concern that the Mayor's decision to allow "affordable" rents to be set at up to 80% of market prices will make renting unaffordable for many residents in the borough. Southwark Council, along with other London boroughs, has initiated a judicial review of this decision, the implication of which would be that councils will have little power to make sure new affordable housing is genuinely affordable for local people.
8. That council assembly welcomes the commitment of Southwark Council to building more homes in the borough, having built 2,300 new homes over the last two years, including 1,230 affordable homes.
9. That it notes that Southwark is the fifth highest London borough in terms of house building over the last two years and also the fifth highest in building affordable housing.
10. That council assembly congratulates other Labour boroughs for their commitment to house building, making up seven of the top 10 London boroughs in terms of house building over the last two years, and nine out of the top 10 boroughs for building additional affordable housing in London.
11. That council assembly welcomes this administration's commitment to build 11,000 new council homes. Council assembly notes that since 2010 the council has already approved over 10,000 new homes in the borough, including almost 3,000 new affordable homes.
12. That council assembly notes the acknowledgement in the Mayor's draft London Housing Strategy that boroughs, the government, the Mayor and the public and private sectors must work together to achieve the 42,000 target for house building. However, council assembly also expresses concern that many London boroughs, particularly Conservative and Liberal Democrat boroughs, are likely to have significantly lower housing targets than Southwark.
13. That Southwark is playing its part in solving London's housing crisis; council assembly calls on other councils to do the same.

URGENT REVIEW OF CYCLE SAFETY

At council assembly on Wednesday 22 January 2014 a motion entitled 'Urgent Review of Cycle Safety' was proposed by Councillor Graham Neale 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:

1. Notes with sadness the loss of cyclists' lives on London's roads in recent months and years, including the tragic death in November of Walworth resident and community volunteer Richard Muzira.
2. Welcomes the steps Southwark Council has taken to improve cycling safety in the borough, including running a campaign to promote cycling and cycle safety, free cyclist training, Safer Urban Driver courses for drivers of HGVs, a programme of cycle parking on the highway and the 'Park to Park' mass cycle ride for children.
3. Applauds the commitment of the leader of the council in championing the issue of cycling safety, working on a cross-party basis with leaders across London. Council assembly welcomes the Mayor of London's agreement to hold a London-wide cycle summit following the proposal from the leader of the council.
4. Welcomes the cabinet's commitment to utilise the expertise of a cycling consultant to review cycling safety in the borough and to identify steps which can be taken to improve cycling safety and take up in Southwark.
5. Welcomes the work of the leader of the council in pressing for a comprehensive route of cycleways across Southwark and London, providing cyclists with effectively dedicated routes to minimize any interaction with motorised traffic. Council assembly calls on the cabinet to continue working with TfL to deliver dedicated cycle routes on Blackfriars Road.

Comments of the Strategic Director of Environment and Leisure

- (1) Following the tragic death of a number of cyclists in November 2013 the Mayor of London announced a new network for cyclists in central London aimed at changing the culture of cycling. The proposed Central London grid is a connected, safe set of routes taking cyclists across central London. It consists of cycle routes in an area that roughly (not exactly) corresponds to the Tube's Zone 1. This area includes the whole of the City of London and the City of Westminster, most of Kensington & Chelsea and parts of five other boroughs – Lambeth, Southwark, Hackney, Islington and Camden.
- (2) In early December 2013 officers submitted Southwark's proposals for the Grid which amounts to proposals costing just under £11million over two years. We are awaiting TfL's response to our proposals which are expected by the end of March 2014.

- (3) However officers remain firmly of the view that the Grid alone will not deliver the desired improvements to safety for cyclists in the Borough and in particular we await TfL's proposals on a Borough wide network of quietways and the long awaited revision to the London Cycle Design Standards.
- (4) The Mayor of London has announced a major London summit on cycling to take place on the 10th March that will involve Leaders of all London Boroughs and decision makers to explore how they can work more closely together to deliver the Mayor's Vision for Cycling in London and our collective cycle safety priorities and initiatives.
- (5) Officers have also met with the author of a recent study into examples of the best cities for cycling infrastructure with a view to working with Dutch or Danish experts on how to deliver this into Southwark.

SAFER CROSSINGS ON BOROUGH HIGH STREET

At council assembly on Wednesday 22 January 2014 a motion entitled 'Safer Crossings on Borough High Street' was proposed by Councillor Claire Hickson and seconded by Councillor Patrick Diamond. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

RECOMMENDATION

That council assembly:

1. Applauds the work of local campaigners, including Southwark Living Streets and Borough Babies, in organising the 'Safe Crossings on Borough High St Campaign'.
2. Notes that high numbers of people cross Borough High Street every day at its junctions at:
 - Great Dover Street and Marshalsea Road
 - Trinity Street and Great Suffolk Street.
3. Notes that many of the people who use these junctions are families who live to the east of Borough High Street and whose children go to schools on the west side of Borough High Street, including Charles Dickens Primary School, the Cathedral School and St Joseph's Primary School, Friars Primary School, the London Christian School, St Saviour's and St Olave's school, the Bright Horizons Nursery and The Arc Nursery.
4. Calls on cabinet to work with Transport for London to:
 - Review crossing safety on Borough High Street
 - Create pedestrian crossings at the junction with Great Dover Street and Marshalsea Road, and at the junction with Trinity Street and Great Suffolk Street.

Comments of the Strategic Director of Environment and Leisure

- (1) Officer have raised concerns regarding safety on Borough street with TfL on a number of occasions and as a result TfL are currently carrying out a feasibility study on improving pedestrian arrangements at the Borough High Street/ Marshalsea junction. This due to be completed by March 2014.
- (2) A review of the arrangements for pedestrians at the Trinity Street and Great Suffolk Street junction is included in our submission to TfL as part of the Central London Cycle grid and Quiteway proposals

EAST DULWICH POLICE STATION

At council assembly on Wednesday 22 January 2014 a motion entitled 'East Dulwich Police Station' was proposed by Councillor James Barber and seconded by Councillor Jonathan Mitchell. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

RECOMMENDATION

1. That council assembly condemns the closure of East Dulwich and Sydenham police stations and the reduction in opening hours at Gypsy Hill police station, leaving Dulwich residents without adequate access to police front counter facilities.
2. That council assembly calls upon the Mayor's Office for Policing and Crime (MOPAC) to ensure that as the East Dulwich police station site is developed for a new use, a police front counter facility is incorporated on the ground floor of the building, with a commitment to staff this facility throughout the week, and that MOPAC works with the council to assess the feasibility of the rest of the site being used for school provision.
3. That council assembly recognises the need for additional community services and facilities in Dulwich, particularly including school places and calls upon the Lambeth and Southwark Clinical Commissioning Group and NHS Property Co to expedite the decision-making process in relation to the development of new health facilities on the Dulwich Hospital site, so that the remainder of the site can be used to develop new community facilities, including new school provision.
4. That council assembly also calls on any free school providers to work closely and cooperatively with the council on school place planning in the Dulwich area.

BILLBOARD ADVERTISEMENT AT ELEPHANT & CASTLE ROUNDABOUT

At council assembly on Wednesday 22 January 2014 a motion entitled 'Billboard Advertisement at Elephant & Castle Roundabout' was proposed by Councillor Neil Coyle and seconded by Councillor Dan Garfield. The motion was agreed and stands referred to the cabinet as a recommendation.

RECOMMENDATION

That council assembly:

1. Applauds work of local community activists Vijay Luthra, Claire Maugham and Karl Eastham, who succeeded in getting an offensive billboard advert removed from the Elephant & Castle roundabout following public complaints.
2. Recognises the negative effect of inappropriate adverts anywhere in the borough and notes the council's guidelines to contractors about the types of adverts they display on council sites.
3. Congratulates the council for acting immediately to have the offensive advert removed and notes that the advert was taken down by council officers the same day they were alerted to the issue.
4. Welcomes the swift action of Primesight, the billboard operator, in responding quickly to the council's request.

TRIBUTE TO GRACE JONES

At council assembly on Wednesday 22 January 2014 a motion entitled 'Tribute to Grace Jones' was proposed by Councillor Eliza Mann and seconded by Councillor Graham Neale. The motion was agreed and stands referred to the cabinet as a recommendation.

RECOMMENDATION

That council assembly:

1. Notes with sadness the passing of the UK's oldest resident, Grace Jones from Bermondsey, who died in November aged 113.
2. Acknowledges her remarkable life which spanned the whole of the 20th century and her contribution to the local community.
3. Calls on the cabinet to pay a lasting tribute to the life of Grace Jones by naming a new public building after her at the earliest opportunity

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