

Council Assembly (Ordinary Meeting)

Wednesday 25 March 2015
7.00 pm

Harris Academy Peckham, 112 Peckham Road, London SE15 5DZ

Councillors are summoned to attend a meeting of the Council to consider the business contained herein

Eleanor Kelly
Chief Executive

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

You have the right to request to inspect copies of minutes and reports on this agenda as well as the background documents used in the preparation of these reports.

Babysitting/Carers allowances

If you are a resident of the borough and have paid someone to look after your children, an elderly dependant or a dependant with disabilities so that you could attend this meeting, you may claim an allowance from the council. Please collect a claim form at the meeting.

Access

The council is committed to making its meetings accessible. Further details on building access, translation, provision of signers etc for this meeting are on the council's web site: www.southwark.gov.uk or please contact the person below.

Contact

Lesley John and Andrew Weir on 020 7525 7228 or 020 7525 7222 or email:
lesley.john@southwark.gov.uk; andrew.weir@southwark.gov.uk;
constitutional.team@southwark.gov.uk

Date: 13 March 2015



Council Assembly (Ordinary Meeting)

Wednesday 25 March 2015
7.00 pm

Harris Academy Peckham, 112 Peckham Road, London SE15 5DZ

Order of Business

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PART A - OPEN BUSINESS

1. PRELIMINARY BUSINESS

1.1. ANNOUNCEMENTS FROM THE MAYOR, MEMBERS OF THE CABINET OR CHIEF EXECUTIVE

To receive any announcements from the Mayor, members of the cabinet or the chief executive.

1.2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE MAYOR DEEMS URGENT

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

1.3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

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

1.4. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

1.5. MINUTES

To approve as a correct record the open minutes of the council assembly meeting held on 21 January 2015 (to be circulated separately).

2. ISSUES RAISED BY THE PUBLIC

2.1. PETITIONS

To formally receive any petitions lodged by members of the council or the public which have been received in advance of the meeting in accordance with council assembly procedure rules.

2.2. PUBLIC QUESTION TIME

The deadline for public questions is Midnight, Thursday 19 March 2015. Questions can be emailed to constitutional.team@southwark.gov.uk.

Questions from the public will be distributed in a supplemental agenda.

3. THEMED DEBATE - WELFARE REFORM WITH AN EMPHASIS ON FINANCIAL INCLUSION

3.1. COMMUNITY EVIDENCE

The deadline for community evidence on the theme is Midnight, Thursday 19 March 2015. Submissions can be emailed to constitutional.team@southwark.gov.uk.

Submissions from the public will be distributed in a supplemental agenda.

3.2. MOTION ON THE THEME: WELFARE REFORM WITH AN EMPHASIS ON FINANCIAL INCLUSION

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Councillor Fiona Colley, the cabinet member for finance, strategy and performance, to present the theme for the meeting.

4. OTHER DEPUTATIONS

The deadline for deputation requests is Midnight, Thursday 19 March 2015. Deputations can be emailed to constitutional.team@southwark.gov.uk.

Deputation requests will be distributed in a supplemental agenda.

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In accord with the Localism Act 2011 council assembly is to agree the council's annual pay policy statement.

8.2. ANNUAL REPORT ON THE WORK AND PERFORMANCE OF THE AUDIT AND GOVERNANCE COMMITTEE IN 2014/15	114 - 122
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Council assembly to note the work and performance of the audit and governance committee in 2014/15.

8.3. COUNCIL CALENDAR 2015/16	123 - 137
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To note the council calendar for 2015/16.

9. AMENDMENTS

Any member of the council may submit an amendment to a report or motion on the agenda. The amendments will be circulated to all members in a supplemental agenda.

ANY OPEN ITEMS IDENTIFIED AS URGENT AT THE START OF THE MEETING

EXCLUSION MOTION (IF NECESSARY)

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

“That under the access to information procedure rules of the Southwark constitution, 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 section(s) 1 – 7 of paragraph 10.4 of the procedure rules.”

PART B – CLOSED BUSINESS

ANY CLOSED ITEMS IDENTIFIED AS URGENT AT THE START OF THE MEETING

Item No. 3.2	Classification: Open	Date: 25 March 2015	Meeting Name: Council Assembly
Report title:		Motion on the Theme: Welfare reform with an emphasis on financial inclusion	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

BACKGROUND INFORMATION

The theme for this meeting is welfare reform with an emphasis on financial inclusion.

The relevant cabinet member shall submit a motion on the theme. All other political groups on the council are allowed to submit one amendment to the motion. The cabinet member's motion and the amendments do not need to be seconded. The cabinet member will present the motion to the meeting, followed by the lead opposition spokesperson's response and moving of their amendment. Following this the subject matter of the theme will be open to debate. Amendment(s) from other opposition groups on the council can be moved during this part of the meeting.

MOTION FROM COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, STRATEGY AND PERFORMANCE

1. Council assembly believes that the coalition government's welfare reform has utterly failed, with hardship and deprivation increasing, at the same time as the cost of implementing the reforms is mounting.
2. Council assembly condemns the government's changes to benefits which have targeted the most vulnerable and hit families with children under five harder than any other group.
3. Council assembly notes that despite the government's rhetoric on repairing the nation's finances, cuts to welfare have been offset by tax cuts for the most well off, meaning the government's welfare reform has made no overall contribution to paying down the deficit.
4. Council assembly notes that residents in Southwark have been hit hard by the coalition government's welfare reform, including:
 - The cruel and unfair bedroom tax, which has hit 5,000 Southwark residents;
 - A benefit cap which disproportionately affects families in London and has left some households facing the threat of eviction;
 - Unacceptable delays in personal independence payments, which have left over 300,000 disabled people in limbo nationally as they wait for a decision on crucial support;
 - Cuts to local government funding for discretionary housing payments and council tax benefits.

5. This administration has prioritised our most vulnerable residents, using our resources to protect them as far as possible from the worst excesses of the government's welfare cuts, including:
 - Providing financial assistance and support for residents affected by the bedroom tax and other welfare changes through the welfare hardship fund;
 - Providing a much-needed safety net for our most vulnerable residents through the Southwark Emergency Support Scheme, despite government cuts to the funding;
 - Helping residents to ensure they are claiming all benefits entitled to them, through the Rightfully Yours advice service.
6. Council assembly is concerned about the rollout of universal credit, particularly following direct payment pilots in Southwark, which have highlighted the risk of residents struggling to cope with complex budgeting and increasing numbers of residents falling into rent arrears.
7. Council assembly welcomes the steps that have been taken by this administration to mitigate against these risks and to promote financial inclusion, working in partnership with Lambeth and Lewisham to deliver support for residents to prepare for universal credit, including opening bank accounts, dealing with debt and coping with budgeting on a monthly basis.
8. Council assembly believes that employment is central to improving the financial resilience of our residents and recognises that current welfare to work provision fails to meet the needs of our most vulnerable residents. Council assembly therefore welcomes the steps this administration is taking to support residents with the most complex needs to develop the skills, motivation and experience to be able to secure employment.
9. Council assembly believes that the growth of insecure, low-paid, poor quality jobs under the coalition government is undermining the UK's ability to earn our way out of the current cost of living crisis and adding to welfare spending.
10. Council assembly believes that the country's welfare system can only become sustainable for the long-term by getting more people into work, and creating better paid and more secure jobs.
11. Council assembly therefore welcomes Labour's national commitments to:
 - Abolish the cruel, costly and failing bedroom tax, which is hitting over 400,000 disabled people nationally;
 - Make work pay by increasing the national minimum wage and encouraging more employers to pay a living wage;
 - Tackle the root causes of rising housing benefit spending by getting 200,000 homes a year built by 2020;
 - Introduce a compulsory jobs guarantee, paid for by a bank bonus tax, to provide a paid starter job for every young person unemployed for over a year, and everyone over 25 unemployed for over two years.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet member's motion	Constitutional Team 160 Tooley Street London SE1 2QH	Andrew Weir 020 7525 7222

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager
Report Author	Lesley John, Constitutional Officer
Version	Final
Dated	9 March 2015

Agenda Item 5.1

Item No. 5.1	Classification: Open	Date: 25 March 2015	Meeting Name: Council Assembly
Report title:		Members' Question Time	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

BACKGROUND INFORMATION

Members' question time shall not exceed 30 minutes. During this time, members may not question any one cabinet member or committee chair for longer than fifteen minutes.

Members are limited to one question at each meeting. One councillor from each community council will be able to submit a question on behalf of their community council.

Questions to the leader will be taken first, followed by question from community council councillors followed by questions to other cabinet members. The order in which the different political groups ask questions of the leader will be rotated. Questions to cabinet members will also be rotated. The order of portfolios will be rotated at each meeting such that the cabinet member answering questions immediately after the leader will be the last cabinet member to answer any questions at the next meeting of council assembly. The rotation is in line with decisions of council assembly in July 2014 and rotations circulated by the proper constitutional officer in September 2014.

Cabinet members and committee chairs have discretion to refer a question to another cabinet member.

Responses to members' questions will be circulated on yellow paper around the council chamber on the evening of the meeting.

The Mayor will ask the member asking the question if they wish to ask one supplemental question to the member to whom the question was asked. The supplemental question must arise directly out of the original question or the reply. Therefore, supplemental questions to the leader or other cabinet members are not free ranging.

No question shall be asked on a matter concerning a planning or licensing application.

Notes:

1. The procedures on members' questions are set out in council assembly procedure rule 2.9 in the Southwark Constitution.
2. In accordance with council assembly procedure rule 2.9 (12) & (13) (prioritisation and rotation by the political groups) the order in which questions to the leader appear in this report may not necessarily be the order in which they are considered at the meeting.
3. A question from a community council must have been previously considered and noted by the relevant community council (CAPR 2.9.2).

1. QUESTION TO THE LEADER FROM COUNCILLOR JASMINE ALI

Can the leader tell me what the next steps are for the council following the launch of the Childcare Commission report?

2. QUESTION TO THE LEADER FROM COUNCILLOR ROSIE SHIMELL

What are the rates for patients presenting in accident and emergency at local hospitals with mental health issues since May 2010 and how does this compare to English averages?

3. QUESTION TO THE LEADER FROM COUNCILLOR NEIL COYLE

Is the leader concerned about recent figures which showed that Southwark renters are paying more than half their income on rent and the effect this could have on residents being able to afford to stay in the borough?

4. QUESTION TO THE LEADER FROM COUNCILLOR ANOOD AL-SAMERAI

Can the leader state the final cost of all the Childcare Commission's work, including the production and launch of its recent report?

5. QUESTION TO THE LEADER FROM COUNCILLOR ELEANOR KERSLAKE

What is the council doing to encourage responsible lending?

6. QUESTION TO THE LEADER FROM COUNCILLOR DAVID NOAKES

Can the leader confirm what discussions and meetings the council has had with Development Securities or any other interested parties in regards to the Southwark tube station site with particular reference to Styles House and council-owned land?

7. QUESTION TO THE LEADER FROM COUNCILLOR KARL EASTHAM

What is the council doing to prevent the loss of affordable housing following the government's introduction of an exemption for housing developers from paying for affordable housing?

8. QUESTION TO THE LEADER FROM COUNCILLOR HAMISH McCALLUM

Please list the planning consents since May 2010 (broken down by ward) where affordable housing has been provided on-site; off-site; or where in-lieu payments have been accepted?

9. QUESTION TO THE LEADER FROM COUNCILLOR VIJAY LUTHRA

Can the leader confirm which housing estates will be included in the kitchens and bathrooms replacement programme from April this year?

10. QUESTION TO THE LEADER FROM COUNCILLOR MARIA LINFORTH-HALL

What steps is the council taking to address lower take-up rates of talking therapies among BME residents with mental health issues?

11. QUESTION TO THE LEADER FROM COUNCILLOR DAN GARFIELD

Can the leader give an update on plans for internal and external decoration of properties in phase 4 on the Aylesbury estate?

12. QUESTION TO THE LEADER FROM COUNCILLOR MARTIN SEATON (BOROUGH, BANKSIDE AND WALWORTH COMMUNITY COUNCIL)

What actions has the council taken to try and help ensure (an element of) the existing Southwark fire station building is retained so there is potential for it to be returned to use as a fire station at a later stage and used for community use in the interim?

13. QUESTION TO THE CABINET MEMBER FOR CHILDREN AND SCHOOLS FROM COUNCILLOR JOHNSON SITU (PECKHAM AND NUNHEAD COMMUNITY COUNCIL)

The community council would like a general update about increasing the provision of school places in Peckham and Nunhead for both primary and secondary and specifically, what plans are there for Highshore School and have other alternatives been considered rather than demolishing the building?

14. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR ANDY SIMMONS (DULWICH COMMUNITY COUNCIL)

How will the council improve consultation on traffic and transport schemes in the Dulwich area?

15. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR BILL WILLIAMS (BERMONDSEY AND ROTHERHITHE COMMUNITY COUNCIL)

Can the cabinet member for regeneration, planning and transport set out what steps the council is taking to improve traffic flow at the Rotherhithe tunnel on Lower Road and to ensure the C10 and 381 bus routes better serve the Rotherhithe peninsula? Can he also explain what steps he is taking to lobby Transport for London (TfL) on these issues?

18. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, RECYCLING, COMMUNITY SAFETY AND VOLUNTEERING (ENVIRONMENT AND RECYCLING) FROM COUNCILLOR SUNNY LAMBE

How much has the council saved by increasing the amount of waste diverted from landfill since 2010 and how has this improved the council's environmental impact?

19. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, RECYCLING, COMMUNITY SAFETY AND VOLUNTEERING (ENVIRONMENT AND RECYCLING) FROM COUNCILLOR RENATA HAMVAS

Can the cabinet member explain how the plans for the Camberwell Old and New Cemeteries will enhance the ecology and biodiversity of the site?

20. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, RECYCLING, COMMUNITY SAFETY AND VOLUNTEERING (ENVIRONMENT AND RECYCLING) FROM COUNCILLOR LEO POLLAK

What is the council doing to promote renewable energy options?

21. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, RECYCLING, COMMUNITY SAFETY AND VOLUNTEERING (COMMUNITY SAFETY AND VOLUNTEERING) FROM COUNCILLOR DAVID HUBBER

Whilst acknowledging that crime overall in Southwark has fallen quite significantly, there remains a serious problem with the use of knives in offences. What is the council doing to help improve the detection and sanction of offenders?

22. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, RECYCLING, COMMUNITY SAFETY AND VOLUNTEERING (COMMUNITY SAFETY AND VOLUNTEERING) FROM COUNCILLOR RADHA BURGESS

Can the cabinet member give an update on the council's Domestic Abuse Strategy?

23. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, RECYCLING, COMMUNITY SAFETY AND VOLUNTEERING (COMMUNITY SAFETY AND VOLUNTEERING) FROM COUNCILLOR BILL WILLIAMS

Can the cabinet member give an update on the council's plans to improve the noise service?

24. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, RECYCLING, COMMUNITY SAFETY AND VOLUNTEERING (COMMUNITY SAFETY AND VOLUNTEERING) FROM COUNCILLOR LISA RAJAN

Can the cabinet member state whether any Southwark residents with mental health issues have been held in a police cell while awaiting assessment/treatment and, if so, how many in each of the past five years?

25. QUESTION TO THE CABINET MEMBER FOR HOUSING FROM COUNCILLOR KATH WHITTAM

Given that the borough now receives record numbers of homeless applications, what steps is the council taking to meet this exceptional demand?

26. QUESTION TO THE CABINET MEMBER FOR HOUSING FROM COUNCILLOR JOHNSON SITU

Can the cabinet member give an update on the work being undertaken to resolve the unacceptable failures of heating and hot water supply on Gloucester Grove and North Peckham estates?

27. QUESTION TO THE CABINET MEMBER FOR HOUSING FROM COUNCILLOR LUCAS GREEN

Can the cabinet member for housing tell me when tenants of Setchell Estate can expect to have new kitchens and bathrooms fitted?

28. QUESTION TO THE CABINET MEMBER FOR HOUSING FROM COUNCILLOR BEN JOHNSON

Is the cabinet member satisfied with the outcome of the recent review of the council's evictions policy?

29. QUESTION TO THE CABINET MEMBER FOR HOUSING FROM COUNCILLOR EVELYN AKOTO

Can the cabinet member for housing give an update on when Warm, Dry and Safe works will start at Caroline Gardens? Can he confirm that this work will now include fitting new kitchens and bathrooms?

30. QUESTION TO THE CABINET MEMBER FOR HOUSING FROM COUNCILLOR JAMES BARBER

Why is the council not implementing its Warm, Dry and Safe policy of ensuring "windows in good condition or double glazed with secure locks" for acquired street properties and instead leaving tenants with cold, wet, dangerous ancient sash windows, well over 40 years old, which consist of more putty, filler and rot than wood and are often without window locks?

31. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR KIERON WILLIAMS

How is the council working with schools to improve safety on roads around schools?

32. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR DAMIAN O'BRIEN

Can the cabinet member explain why car parking is being permitted for some larger, high value developments when we are supposed to be a borough that is promoting walking and cycling?

33. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR ADELE MORRIS

Now that the consultation on the New Southwark Plan has ended, what weight will be given to the comments made by local residents?

16. QUESTION TO THE CABINET MEMBER FOR CHILDREN AND SCHOOLS FROM COUNCILLOR JAMES OKOSUN

Can the cabinet member provide a list of secondary school offers made this year by order of preference broken down by community council area?

**17. QUESTION TO THE CABINET MEMBER FOR CHILDREN AND SCHOOLS
FROM COUNCILLOR ELIZA MANN**

Can the cabinet member update us on the council's work so far to ensure vocational education is provided for local young people at the former Southwark College site in Drummond Road and whether the s106 funding allocated from The Shard development has been used to support it?

Item No. 5.2	Classification: Open	Date: 25 March 2015	Meeting Name: Council Assembly
Report title:		Motions	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

BACKGROUND INFORMATION

The councillor introducing or “moving” the motion may make a speech directed to the matter under discussion. This may not exceed five minutes¹.

A second councillor will then be asked by the Mayor to “second” the motion. This may not exceed three minutes without the consent of the Mayor.

The meeting will then debate the issue and any amendments on the motion will be dealt with.

At the end of the debate the mover of the motion may make a concluding speech, known as a “right of reply”. If an amendment is carried, the mover of the amendment shall hold the right of reply to any subsequent amendments and, if no further amendments are carried, at the conclusion of the debate on the substantive motion.

The Mayor will then ask councillors to vote on the motion (and any amendments).

IMPLICATIONS OF THE CONSTITUTION

The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and allocates to the cabinet responsibility for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis. Therefore any matters that are reserved to the cabinet (i.e. housing, social services, regeneration, environment, education etc) cannot be decided upon by council assembly without prior reference to the cabinet. While it would be in order for council assembly to discuss an issue, consideration of any of the following should be referred to the cabinet:

- to change or develop a new or existing policy
- to instruct officers to implement new procedures
- to allocate resources.

Note: In accordance with council assembly procedure rule 2.10 (7) & (8) (prioritisation and rotation by the political groups) the order in which motions appear in the agenda may not necessarily be the order in which they are considered at the meeting.

¹ Council assembly procedure rule 1.14 (9)

1. **MOTION FROM COUNCILLOR STEPHANIE CRYAN** (Seconded by Councillor Rebecca Lury)

Financial advice in health centres

1. Council assembly acknowledges the inherent link between financial health and health and wellbeing, particularly mental health.
2. Council assembly welcomes the work of the healthy communities scrutiny sub-committee exploring the health of the borough, including financial health. Council assembly welcomes the committee's work in highlighting the impact of financial exclusion on health, in particular the impact on those with mental health concerns who are also struggling financially.
3. Council assembly therefore calls on cabinet to introduce financial health services in health centres, to provide high quality debt and income maximisation advice and welfare benefits casework for patients in Southwark.
4. Council assembly believes that the provision of high quality financial advice will improve the patient experience and optimise the time of GPs and health professionals, as well as directly targeting the link between mental and financial health.

Note: If the motion is agreed, any proposals will be submitted to the cabinet for consideration.

2. **MOTION FROM COUNCILLOR BEN JOHNSON** (Seconded by Councillor Adele Morris)

Mental health services in Southwark

1. Council assembly notes that:
 - mental health issues will affect 1 in 4 people at some point in their lives and that 70,000 people in Southwark will suffer from mental health issues
 - mental health issues can shorten life expectancy by fifteen to twenty years
 - people with mental health issues are more likely to experience homelessness, and anxiety and depression have been linked to overcrowded and unfit housing.
2. Council assembly further notes that the Liberal Democrats in government have:
 - invested £400 million in early support for people with mental health issues and committed to put mental health treatment on a par with physical health
 - introduced maximum waiting times for talking therapies and the Crisis Care Concordat to ensure nobody experiencing psychosis is ever turned away from accident & emergency

- pledged extra investment for new inpatient beds, better case management and improved access to mental health care for children and young people
- helped fund the Time to Change campaign which challenges mental health stigma and discrimination
- called on all NHS trusts to aim for a 'Zero Suicide' policy and established a government-wide mental health taskforce.

3. Council assembly calls on the cabinet to:

- take action to ensure an appropriate advocacy service is available for all Southwark residents with mental health issues
- consider the appointment of a Southwark Mental Health Champion to act as a link between the council, clients and the different agencies working in mental health
- ensure that mental health services receive their fair share of public health funding alongside real-term increases in each year of the current administration
- ensure each council department deals with residents with mental health issues consistently and with a supportive and sympathetic approach
- improve the promotion of counselling services available for staff experiencing mental health or emotional issues.

Note: If the motion is agreed, any proposals will be submitted to the cabinet for consideration.

3. **MOTION FROM COUNCILLOR RENATA HAMVAS** (Seconded by Councillor Lorraine Lauder)

Betting shop enforcement

1. Council assembly recognises the growing concern of local residents and the council about the proliferation of high street betting shops in Southwark; particularly the rise in high stake Fixed Odds Betting Terminals.
2. Council assembly is particularly concerned by recent evidence which suggests that despite age restrictions on gambling, some young people under the age of 18 are using these highly addictive gambling machines in betting shops.
3. Council assembly notes that the council does not currently have the power to inspect gambling venues to ensure that age restrictions are being properly enforced, nor is there a requirement for a 'Think 21' or 'Think 25' policy, as there is in premises selling alcohol, tobacco or other age-restricted products. Council assembly also notes that there are currently no regulations on layout in gambling premises to ensure that all customers entering the premises are in line of sight of staff.
4. Council assembly further notes that of the 80 gambling premises in Southwark, only two have recently been subject to spot-checks by the Gambling Commission and that both premises failed these checks.

5. Council assembly believes that it is vital that betting shops have sufficient controls in place to prevent children from using these highly addictive gambling machines, which could lead to young people developing gambling problems later in life.
6. Council assembly therefore calls on the cabinet to lobby local MPs and government to give local authorities more powers of enforcement in gambling premises, which are effectively self-regulating, to bring them in line with other licensed premises.

4. MOTION FROM COUNCILLOR HELEN HAYES (Seconded by Councillor Sarah King)

Improve services at London Bridge station

1. Council assembly believes that the current situation for rail passengers at London Bridge station is completely unacceptable.
2. Council assembly notes that almost three months since the introduction of the new timetable at London Bridge the situation at the station is worse than ever, with increasing chaos and disruption and dangerous overcrowding.
3. Council assembly notes that passengers in Dulwich, Peckham Rye and South Bermondsey, are facing increasing delays and cancellations to an already reduced timetable, and that unacceptable levels of overcrowding are also being experienced at other stations including Herne Hill and Loughborough Junction as passengers seek to avoid London Bridge.
4. Council assembly believes that the chaos at London Bridge has demonstrated that Network Rail and Southern are not capable of sorting out the mess.
5. Council assembly notes that the Secretary of State for Transport, Patrick McLoughlin MP, has so far failed to respond to letters from elected members in Southwark on the issues at London Bridge, and requests that Cabinet writes to demand his urgent personal intervention to improve the service for passengers at London Bridge.
6. Council assembly notes that there are significant transport issues on trains across South East London in addition to the problems at London Bridge, including the lack of capacity on the South Eastern line into London Victoria, affecting passengers at Nunhead, Peckham Rye and Denmark Hill.
7. Council assembly notes the success of London Overground services run by Transport for London, which have consistently achieved high ratings for punctuality and customer satisfaction, while more than trebling passenger numbers, and whilst using much of the same infrastructure as Southern.
8. Council assembly notes that it is Labour's policy to allow public sector organisations to bid to run rail services, and that in London we have a public sector organisation, Transport for London, which already runs some of London's rail services to an extremely high level of customer

satisfaction. Council assembly therefore calls on the Secretary of State to allow Transport for London to run all rail services in South East London in order to have a properly integrated transport system.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Member Motions	Constitutional Team 160 Tooley Street London SE1 2QH	Andrew Weir 020 7525 7222

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager
Report Author	Lesley John, Constitutional Officer
Version	Final
Dated	10 March 2015

Item No. 6.1	Classification: Open	Date: 25 March 2015	Meeting Name: Council Assembly
Report title:		Community Infrastructure Levy	
Ward(s) or groups affected:		All	
From:		Cabinet	

RECOMMENDATIONS

That council assembly:

1. Consider the examiner's report on the Southwark community infrastructure levy (Southwark CIL) (Appendix A).
2. Approve the Southwark CIL (Appendix B) and bring it into effect on 1 April 2015.
3. Approve Southwark's "Regulation 123 List" (Appendix C).
4. Note the Southwark CIL infrastructure plan (Appendix D), the updated equalities analysis (Appendix E) and consultation report (Appendix F).
5. Note that cabinet will consider the community Infrastructure levy and section 106 planning obligations and community infrastructure levy supplementary planning document at its meeting on 17 March 2015 and that a supplemental report will be circulated following the cabinet meeting which confirms the decisions of cabinet.

BACKGROUND INFORMATION

Community infrastructure levy

6. The community infrastructure levy (CIL) is a levy that local authorities can choose to charge on new developments in their area. The money can be used to support development by funding infrastructure that the council, local community and neighbourhoods want. Infrastructure is defined in the community infrastructure levy regulations 2010 (the CIL regulations) to include: roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities and open spaces. The benefits are increased certainty for the funding and delivery of infrastructure, increased certainty for developers and increased transparency for local people.
7. If intending to apply the levy, councils (which are designated as "charging authorities") must produce a document called a charging schedule (Appendix B) which sets out the rate for their levy. These rates must be supported by an evidence base including:
 - An up to date development plan
 - The area's infrastructure needs
 - An overall assessment of the economic viability of new development.
8. Once brought into effect, the levy is a compulsory charge levied on most new

developments that involve an increase of 100 square metres or more of additional floorspace or that involve the creation of a new residential unit. The charging authority can set one standard rate or it can set specific rates for different areas and types of development.

9. Some developments are exempt from paying the levy. These are developments of affordable housing and developments by charities of buildings used for charitable purposes.
10. It should be noted that in London, the Mayor is also a charging authority. The Mayor has introduced a CIL to fund Crossrail. The Mayor's levy is £35 per square metre, with a limited number of exceptions. Southwark collects this levy on behalf of the Mayor.

Process for preparing a CIL

11. The process for preparing a CIL involves a number of stages which are identified below:
 - i. Consultation on a preliminary draft charging schedule (this is the first CIL document the council consulted on. Southwark consulted on the preliminary draft CIL between July and October 2012).
 - ii. Consultation on a draft charging schedule (the council consulted on Southwark's draft CIL between February and April 2013 and a revised draft charging schedule (RDCS) between December 2013 and February 2014).
 - iii. Submission of the draft charging schedule to the planning inspectorate, consultation on any post-submission modifications and examination-in-public.
 - iv. Receipt of the examiner's report and approval of CIL.
12. The council is now at the final stage in the process. The examination in public hearings on Southwark's revised draft charging schedule (RDCS) took place in July 2014. Following the hearings, the examiner issued an interim findings report which advised that the council would need to prepare and consult on further evidence in order to justify its proposed rates. The council also proposed a number of modifications to the RDCS in light of the examiner's interim findings and the further evidence. The council consulted on the modifications and further evidence between 11 December 2014 and 13 January 2015. Representations received were passed to the examiner and on 2 March he submitted his final report (Appendix A).
13. In accordance with the CIL Regulations, the examiner's report was published by the council as soon as was practicable. The Planning Act 2008 stipulates that a local authority cannot approve its CIL unless an examiner has recommended approval and may only approve it subject to any modifications recommended by the examiner.

Infrastructure planning

14. In conjunction with preparing a CIL charging schedule, authorities should also prepare an infrastructure plan setting out strategic infrastructure required to support growth over the period of the council's local plan (in Southwark's case the core strategy period of 2011-2026). Southwark's infrastructure plan is set out in Appendix D. The

infrastructure plan is part of the evidence base needed to help justify levying a CIL. The infrastructure set out in the plan is not an exhaustive list. It is intended to be a living document which can be updated regularly. Omission of infrastructure items from the list would not preclude such items being funded in the future through CIL. Nor does the plan commit the council to spending the amounts set out in the plan.

15. A key principle of CIL is that after CIL is adopted authorities should not be spending both CIL and section 106 planning obligations on the same item of infrastructure. Government advice in the national planning practice guidance (NPPG) requires authorities to be clear about those items which will not be funded by section 106 planning obligations and set these out in a list (Appendix C). This is called a regulation 123 list (which refers to regulation 123 of the CIL regulations). After CIL has been approved, the regulation 123 List can be amended, subject to appropriate local consultation.
16. Because the purpose of CIL is to support growth rather than mitigate impacts of specific developments, it can be used more strategically than section 106 contributions. A protocol for governing expenditure will be prepared in due course.
17. Under the Localism Act, the council must identify a 'meaningful proportion' of Southwark CIL that will be spent in the local area to ensure that those people affected by development see some of the benefit. The government has confirmed that the "meaningful proportion" will comprise 25% of CIL funding in areas where there is an adopted neighbourhood plan and 15% elsewhere. The supplementary planning document (SPD) explains how this would be implemented in Southwark. Southwark will aim to spend at least 25% in all areas of the borough. Funding would be allocated to projects on the community infrastructure project list (CIPL) which is based on a recently revised project bank list. This would be updated every year in consultation with the community councils and the planning committee to ensure it reflects local needs.
18. The council will monitor the collection and use of CIL and publish these details in an annual report.

Section 106 planning obligations

19. Planning obligations are used to address negative impacts of a development. They are legally binding and comprise either an agreement between a council and a developer or a unilateral undertaking made by a developer. They can be used to specify the nature of developments (for example, requiring a given portion of housing to be affordable), compensate for loss or damage created by a development (for example, loss of open space), or address a development's impact (for example, through a contribution towards public realm improvements in the local area). They can involve a financial or non-financial obligation. Southwark's current guidance on section 106 planning obligations is set out in the 2007 section 106 planning obligations supplementary planning document (the adopted SPD).
20. The adopted SPD sets out a number of standard charges which the council uses to calculate section 106 planning obligations. These charges cover a range of infrastructure, including school places, open space, strategic transport improvements, sports development and play facilities. Funding which is generated is often pooled as individual obligations are often not sufficient to pay for large infrastructure items.

21. However, the introduction of the Planning Act 2008 and the CIL regulations has changed the way that developments contribute towards funding strategic infrastructure. Section 106 planning obligations will continue to be used, but will have a much more restricted role. Once a CIL has been adopted or by 6 April 2015 (whichever is the sooner) local authorities will not be able to pool more than five separate planning obligations to pay for one item of infrastructure. The intention of the CIL regulations is that section 106 planning obligations should mainly be used to secure site specific infrastructure which is needed to directly mitigate the impact of development. Examples might include an access road needed to make the development acceptable or public realm improvements around the site. This restriction will make it very difficult for the council to apply the standard charges in the adopted SPD which are based on the principle of pooling funding. If the council does not introduce a CIL by 6 April 2015 it will potentially lose a significant amount of funding that is needed to contribute to strategic infrastructure which is required to promote growth and development in its area.
22. Affordable housing will continue to be secured through Section 106 planning obligations.
23. The council has prepared a revised section 106 planning obligations and community infrastructure levy SPD (the revised SPD) to be adopted at the point that Southwark's CIL comes into effect. The revised SPD will supersede the adopted SPD and provides detailed guidance on the use of planning obligations alongside CIL. It explains the circumstances in which the council will seek to negotiate section 106 planning obligations. This includes circumstances where public realm or site specific transport improvements are required and where developments do not meet on-site policy requirements for amenity space provision, play facilities and carbon dioxide reductions.
24. The council consulted on the revised SPD between December 2013 and February 2014. The adoption of the SPD will be considered by Cabinet on 17 March 2015 and subject to approval, will be adopted on the day that the Southwark CIL takes effect.

Consultation

25. The council's approach to consultation on the CIL was consistent with the CIL regulations 2010 and our statement of community involvement (SCI) 2007.
26. In compliance with the SCI, the council consulted on the preliminary draft charging Schedule for a period of 14 weeks, which included six weeks of formal consultation between 5 September and 17 October 2012. A second round of consultation was then held on the draft CIL Schedule for a period of eight weeks including a formal period of consultation of six weeks between 20 February and 3 April 2013. Southwark then consulted on a revised draft charging schedule (RDCS) for a period of 12 weeks, including a six week period of formal consultation between 14 January 2014 and 25 February 2014. Finally, during the examination stage the council consulted for a period of four weeks between 11 December 2014 and 13 January 2015 on further evidence and proposed modifications to the RDCS.
27. At each stage of consultation, as well as making the document available on the web and in local libraries, the council notified around 3,000 consultees in the planning policy database. The preliminary draft, draft and revised draft CIL were publicised at the community council meetings and events were held in September 2012 and October

2014 with developers to raise awareness about CIL and to discuss the evidence base. A full report on consultation is contained in Appendix F.

KEY ISSUES FOR CONSIDERATION

28. The CIL regulations specify that in setting their levies charging authorities must strike a balance between the desirability of securing funding for infrastructure and the potential impacts of charging a CIL on the economic viability of development across their areas. Levies must also take into account the requirement to pay the Mayoral CIL and should also consider impacts on planning policies, including the requirement to provide affordable housing. Following a lengthy period of preparation and an examination-in-public, the council has received the examiner's report and is able to approve its CIL and bring it into effect. As was identified in paragraph 16 above, it should be noted that the council can only approve its CIL subject to the modifications proposed by the examiner.
29. A summary of the proposed charges included in the RDCS is set out below:
- Residential Zone 1: £400 per square metre (north of Union Street, Snowsfields and Jamaica Road and including relevant areas in Bankside, Borough, London Bridge and Shad Thames).
 - Residential Zone 2: £200 per square metre (including Canada Water, Bermondsey, Elephant and Castle and Dulwich).
 - Residential Zone 3: £50 per square metre (including the Aylesbury Estate, southern end of Old Kent Road and Peckham).
 - Student housing: £100 per square metre in the case of direct-let rent schemes and £0 for nomination rent schemes.
 - Office: £70 per sqm in CIL zone 1 and £0 elsewhere.
 - Retail: £250 per square metre for shopping centres and supermarkets and £125 per square metre for other retail types.
 - Town centre carparking: £0 per square metre.
 - Health, education and public libraries: £0 per square metre.
 - Industry and warehousing: £0 per square metre.
 - All other uses: £30 per square metre.
30. Following the public hearings into the RDCS in July 2014 the examiner issued his interim findings which included the following:
- The residential rates should be supported by further evidence regarding a number of inputs into the viability appraisals including build costs, contingency, profit rates and floorspace efficiency.
 - There was insufficient evidence to justify the higher retail rate.

- There was insufficient evidence to justify the charge for “all other uses”.
 - A minor modification should be made to the definition of nomination student housing.
 - The boundary between Zones 1 and 2 should be realigned along the railway viaduct just to the north of Union Street, rather than Union Street itself.
31. Following receipt of the interim findings report, the council prepared the additional evidence advised by the Examiner. It also proposed the following modifications to the RDCS:
- The rate of £250 per square metre for shopping centres and supermarkets should be replaced by a flat retail charge of £125 per square metre.
 - The charge for “all other uses” should be reduced to £0.
 - The Union Street boundary should be amended, in accordance with the Examiner’s findings.
 - The definition of nomination student housing should be amended, in accordance with the Examiner’s findings.
32. On 2 March the council received the examiner’s final report (Appendix A). The examiner endorsed the RDCS, recommending that it should be approved subject to the council making the modifications set out in paragraph 31 above.
33. With regard to residential development, 42 of the schemes appraised in the evidence base contained residential homes (6 in CIL Zone 1, 29 in CIL Zone 2 and 7 in CIL Zone 3). Of these, there were two schemes which were made unviable by CIL. 24 schemes were viable and the remainder (16 schemes) were unviable before the application of a CIL charge. In all cases CIL comprised a small proportion of gross development value (on average less than 3%). It was the view of the council’s consultants, BNP Paribas, that the outcomes show that where schemes are unviable, with the exception of two developments, this would not be because of CIL and consequently CIL would not be a critical factor in determining whether schemes are delivered. The examiner broadly endorsed the inputs and methodology used in the viability appraisals and also noted that there was not sufficient evidence to justify lower rates in opportunity areas or action areas.
34. The examiner noted the need for a small adjustment in the boundary of CIL Zone 1, to align the boundary with the viaduct rather than Union Street. There are few development opportunities in the area between Union Street and the viaduct and this change would not be expected to have a significant impact on overall CIL income.
35. There was discussion during the public hearings about private rented sector (PRS) housing and whether such housing should have a different CIL rate from private “for sale” housing. The examiner noted that Southwark has no adopted planning policy which would limit a developer’s ability to offer property for rent or conversely which would restrict it and prevent it changing to “for sale” housing. Moreover, available evidence suggested that residential developments will alternate between PRS and “for

sale” housing, according to changing circumstances. The viability evidence identified that although in some instances PRS is less viable than “for sale” housing, the proposed CIL rates are set at a level that should allow PRS schemes to come forward. The Examiner endorsed the council’s approach.

36. Eight schemes involving student accommodation were appraised. One of these was made unviable by the proposed CIL charge and four were unviable before the application of CIL. It is considered that the council’s approach of dual charges of £100 per square metre for direct let student accommodation and a nil charge for schemes delivered with universities, where rents are capped over a period of at least seven years, remains justified. The examiner noted that a small change was required in the reference to the rent cap in the RDCS (to refer to an average rent rather than a cap).
37. With regard to offices, based on evidence of new developments and lettings and investment deals undertaken in the borough it is evident that the office market in the north of the borough around CIL Zone 1 is thriving. Elsewhere in the borough, office rents are identified as being considerably lower and as a result developments incorporating large amounts of office space are unlikely to come forward in the short to medium term as speculative developments as the capital values generated are insufficient to cover development costs. In most cases such uses are being cross subsidised by other uses in the developments and such space is only coming forward as part of mixed use developments. Overall, it is considered that the charges in the RDCS are justified and the examiner did not question the council’s approach.
38. Similarly, the evidence suggested that industrial and warehousing development is largely unviable in the current market, which would justify a nil charge. The examiner did not question this approach, or the council’s proposal that health and education uses and public libraries, which are often publically funded, are nil rated.
39. With regard to hotels, the examiner concluded that the hotel market in London is buoyant and there is good evidence that capital values per room are very much higher in the north of the borough. The rates in the RDCS reflect this situation and are sufficiently conservative.
40. With respect to retail, the examiner concluded there was not sufficient evidence to justify a higher charge for supermarkets and shopping centres or malls. By contrast, the lower rate of £125 per square metre was not substantially challenged. Of 36 schemes tested which involved retail provision, only one was made unviable by the proposed CIL rates. The reduction in the CIL charge from £250 per square metre to £125 per square metre is not expected to have a significant impact on overall CIL income. There are few opportunities to deliver supermarket/shopping centre type development and much of the space that will be delivered (for example on the Elephant and Castle shopping centre, Surrey Quays shopping centre and the Aylesham Centre) will replace existing space, which would significantly reduce CIL liability in any event.
41. The examiner also considered that the council’s nominal charge for “other floorspace” was not justified by evidence. Six schemes involving a cinema, assembly and leisure uses and a private gym were tested and all were unviable before the application of CIL. While it was not necessarily the leisure uses that made these schemes unviable, it is not considered that the evidence would justify a charge for “other floorspace”.

42. Overall the examiner concluded that the council had been realistic in terms of achieving a reasonable level of CIL income to address the acknowledged gap in infrastructure funding which is needed to support growth, while ensuring that a range of development remains viable across the borough as a whole.
43. The CIL regulations also require publication of a regulation 123 list, alongside a CIL. This is a list of infrastructure items that in the future will not be funded by section 106 planning obligations. These are items which could be funded or part funded by CIL. Projects not referred to on the list could be funded by either CIL or planning obligations. However, it is anticipated that section 106 planning obligations would only be used to pay for site specific infrastructure, such as an access road, improvements to the public realm around the site or instances where a developer were not able to meet planning policy requirements for on-site infrastructure, such as children's play space or amenity space. The NPPG advises that authorities should be as clear as possible about what will be funded by CIL to avoid a scenario where a developer is charged twice for the same piece of infrastructure, once through CIL and again through Section 106 planning obligations. The regulation 123 List can be amended with appropriate consultation and without the need to revise CIL rates.
44. As is noted in paragraph 18 above, the council will monitor the collection and use of CIL and publish these details in an annual report. Through the council's published local development scheme (LDS) the council has committed to reviewing its CIL within three years.

Community impact statement

Equalities analysis

45. An equalities analysis was undertaken as part of the preparation of the CIL preliminary draft charging schedule. This was updated to reflect the changes proposed in the RDCS and the proposed modifications (Appendix E). The equalities analysis considered the potential impacts arising as a result of the boundaries of the charging zones and the different levels of charge that would be applicable to different types of development within these zones. In accordance with the Equality Act 2010, the analysis considers the potential impacts of the charging schedule on those groups identified within the Act as having protected characteristics. The main issues are summarised below.
46. The range of CIL charges proposed and the boundaries of the charging zones are considered to give rise to limited impacts on the individual groups that are identified in the Equality Act. The imposition of a CIL charge could have potential impacts on small businesses in some parts of the borough, which could impact on a range of groups including BME communities. We propose to adopt a nil charge for office floorspace in all areas except for the commercial areas adjoining the river. As well as benefitting new businesses directly, this approach will ensure that CIL does not act as a barrier to job creation or as a disincentive to provide local services, which are important to those with reduced mobility, such as older people, disabled people and those who are pregnant or have young children.
47. While the nil charge for small shops was deleted, the testing of sites showed that a modest charge, which is comparable to charges in the adopted SPD, would not impede such development. The reduction in the CIL charge for supermarkets and shopping

centres is unlikely to have any significant impacts on groups with protected characteristics. There are few opportunities to develop such space in the borough and CIL is unlikely to be a decisive factor in determining whether such developments go ahead.

48. While the deletion of the charge for “other floorspace” may result in a small reduction in overall CIL revenues, this would be offset by beneficial impacts on groups with protected characteristics. It would reduce costs in developing such floorspace, reducing the overall cost burden for the development of space which is used by community groups, including meeting spaces, youth clubs etc.
49. There is a small risk that CIL will drive up values which will make it harder to access housing which is affordable. However, the proposed charging schedule has been informed by viability appraisals and the level of CIL reflects existing values and is not reliant on any increase in values. The reduction in CIL residential rates from £250 to £200 and the fact that we have also set the level of CIL significantly below the maximum level which could be charged will help mitigate impacts on land values.
50. The proposed lower tariff in the centre of the borough acknowledges the need for new and improved infrastructure, but also aims to ensure that CIL does not hinder regeneration attempts, for instance in Peckham and at the Aylesbury Estate. Ultimately, CIL is a mechanism intended to raise money to fund infrastructure that will contribute to sustainable development in the borough. In this sense, the adoption of CIL should have an overall positive impact on the various equalities groups. More specific impacts may arise depending on the types of infrastructure that are ultimately funded through CIL, but such issues are not broached as part of the charging schedule and will be considered in due course in the context of decisions concerning expenditure.

Sustainability appraisal

51. The Core Strategy 2011 was subject to a sustainability appraisal incorporating a strategic environmental assessment to ensure that principles of sustainable development were thoroughly considered. The Southwark CIL is an extension of the spatial vision and policies set out in the Core Strategy and should not raise additional implications for sustainable development objectives which have not been previously considered. The guidance in the NPPG on charge setting and charging schedule procedures states that sustainability appraisal for CILs is not required.

Financial implications

52. In the first year of operation, it is estimated that the Southwark CIL will secure £7-8 million, which is broadly comparable to the non-affordable housing income gained through section 106 planning obligations. There is a time delay in securing either section 106 planning obligations or CIL actual income, but CIL will replace the majority of section 106 income over time. Overall, CIL is expected to generate around £112 million over 20 years at today’s prices, although this may vary significantly depending on how much development takes place. The rates set out in the CIL charging schedule (Appendix B) will be index linked and should increase over time.
53. The modifications recommended by the examiner will result in a further reduction in CIL revenues. However, as set out in paragraphs 34 and 40 above, it is not expected

this reduction would be significant. The council's modelling of future CIL revenues is reliant on residential development and would not be affected by the modifications.

54. The expenditure of CIL income is far less restrictive than section 106 funding and allows the council to apply it for infrastructure that supports growth in the borough. The proposed Southwark CIL is a direct response to previous changes in legislation that prevent the use of Section 106 tariffs (such as the current section 106 toolkit and transport tariff in the Elephant and Castle SPD) from April 2015.
55. Costs associated with both managing, monitoring and establishing Southwark CIL can be recouped from up to 5% of any CIL income.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

56. The Planning Act 2008 (PA 2008) introduced a discretionary planning charge known as the community infrastructure levy (CIL). The statutory framework for CIL is set out in sections 205-225 of the PA 2008 and further detail is provided under a number of regulations, in particular, the CIL Regulations 2010 (as amended).
57. CIL is a charge paid by owners and developers on new buildings over a certain size. The charge is designed to help fund local infrastructure as identified in a local planning authority's development plan and can only be spent on 'infrastructure'. Infrastructure is defined in the PA 2008 (section 216) as including a wide range of facilities such as roads/transport facilities, open space and schools.
58. CIL is payable to a 'charging authority' which in London means each London Borough Council. If the council intends to apply the levy, it must prepare a charging schedule that sets out the CIL rates in its area (section 211(1) of the PA 2008). The charging schedule becomes part of the local development framework (the planning documents taken into account in making planning decisions). The charging schedule sets out the rates for CIL in the council's area and the rate must be expressed as pounds per square metre of development (regulation 12(2) (b) of the CIL Regulations 2010). The charge is levied on the net internal area of development (regulation 40(5) of the CIL Regulations 2010). By virtue of regulation 13 of the CIL Regulations 2010, charging authorities are able to charge different rates based on either a geographical basis or with reference to the intended use of the development. The council must however consider the overall viability of development within its area.
59. Section 211 of the PA 2008 provides that the council, in setting its rates or other criteria, must have regard to:
 - a) The actual and expected costs of infrastructure
 - b) The economic viability of development (which may include, in particular, actual or potential economic effects of planning permission or of the imposition of CIL)
 - c) Other actual and expected sources of funding for infrastructure.
60. The legislation therefore seeks to ensure that charging schedules balance the desirability of funding infrastructure against the potential effects of the charge on the economic viability of development in the authority's area (regulation 14 of the CIL

Regulations 2010). The regulations also set out other costs to be factored in, such as administrative expenses and Mayoral CIL.

61. The schedule must be informed by 'appropriate available evidence' regarding viability (section 211(7A) of the PA 2008).
62. There is no legislation on how long a charging schedule should apply once adopted; nor is there any duty in the PA 2008 or the CIL Regulations 2010 for the schedule to be reviewed. However, guidance strongly encourages charging authorities to keep their charging schedule and Regulation 123 Lists under review. Should the charging schedule be reviewed, the charging authority must follow the same process of consultation, examination and approval as for the initial schedule.
63. In view of the need to keep development viable and the infrastructure list up to date, it is advisable for the Council to monitor and review the charging schedule at appropriate intervals.

The relationship between CIL and section 106 agreements

64. Regulation 122 and 123 impose limitations on the use of planning obligations, such that *"a planning obligation may not constitute a reason for granting planning permission for the development to the extent that the obligation provides for the funding or provision of relevant infrastructure"*. Effectively, where a charging authority has published a list of infrastructure projects that it intends to fund through CIL, such projects cannot be funded by planning obligations. The language of the regulation implies the production of a regulation 123 List is a matter for the charging authority's discretion. However, guidance suggests that a charging authority should submit a regulation 123 List along with its draft charging schedule. Accordingly, it is noted that as well as preparing an up to date infrastructure plan that identifies a non-exhaustive list of infrastructure intended to be funded by CIL, the council has also prepared a regulation 123 List for adoption with its draft charging schedule.
65. Notwithstanding the list, section 106 agreements may still be used to secure site specific mitigation and affordable housing.

Consultation

66. In compliance with the SCI, the council consulted on the preliminary draft charging schedule for a period of 14 weeks, which included six weeks of formal consultation between 5 September and 17 October 2012. A second round of consultation was then held on the draft CIL Schedule for a period of eight weeks including a formal period of consultation of six weeks between 20 February and 3 April 2013. The council then consulted on a revised draft charging schedule (RDCS) for a period of 12 weeks, including a six week period of formal consultation between 14 January 2014 and 25 February 2014. Finally, during the examination stage the council consulted for a period of four weeks between 11 December 2014 and 13 January 2015 on further evidence and proposed modifications to the RDCS. The Examiner recommended that the draft charging schedule be approved on 2 March 2015.
67. The council has had regard to the general duty, introduced by section 110 of the Localism Act 2011, to cooperate with other prescribed bodies in respect of strategic planning matters which may impact upon sustainable development. Although it may be argued that this duty does not strictly apply to the process of preparing charging

schedules, the council has taken a purposive approach and has cooperated with a range of organisations.

Equality impact assessment

68. The Equality Act 2010 introduced a single public sector equality duty. This duty requires the Council to have due regard in its decision making processes to the need to:
- a) Eliminate discrimination, harassment, victimisation or other prohibited conduct.
 - b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not.
 - c) Foster good relations between those who share a relevant characteristic and those that do not share it.
69. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
70. The council has consulted a broad range of groups and has made every effort to be inclusive. The Council has also prepared a detailed equalities assessment in relation to the charging schedule.
71. CIL has the potential to impact unequally on persons having one or more protected characteristic and the council will need to monitor this.

Human rights considerations

72. CIL potentially engages certain human rights under the Human Rights Act 1998 ('the HRA'). The HRA prohibits unlawful interference by public bodies with convention rights. The term 'engage' simply means that human rights may be affected or relevant. In the case of CIL, a number of rights are potentially engaged:
- **The right to a fair trial (Article 6)** – giving rise to the need to ensure proper consultation and effective engagement of the public in the process.
 - **The right to respect for private and family life (Article 8)** – for instance the setting of CIL tariffs could impact on viability of housing provision or re-provision. Other considerations may include impacts on amenities or the quality of life of individuals based on CIL being too prohibitive.
 - **Article 1, Protocol 1 (Protection of Property)** – this right prohibits interference with individuals' right to peaceful enjoyment of existing and future property/homes. It could be engaged, for instance, if CIL makes future development unviable.
 - **Part II Protocol 1 Article 2 (Right to Education)** – this is an absolute right enshrining the rights of parents' to ensure that their children are not denied suitable education. This will be a relevant consideration in terms of ensuring sufficient educational infrastructure is funded by CIL.

73. It is important to note that few rights are absolute in the sense that they cannot be interfered with under any circumstances. 'Qualified' rights, including Article 6, Article 8 and Protocol 1, can be interfered with or limited in certain circumstances. The extent of legitimate interference is subject to the principle of proportionality whereby a balance must be struck between the legitimate aims to be achieved by a local planning authority in the policy making process against the potential interference with individual human rights.
74. Before making their decision members are advised to have regard to human rights considerations and strive to strike a fair balance between the legitimate aims of setting CIL for the benefit of the community against the potential interference with individual rights.

Decision making

75. As noted earlier, CIL is to be a part of the local development framework and can be considered analogous to other LDF documents such as development plan documents. Under Part 3(C) of the council's constitution, the cabinet collectively has responsibility for the council's policy framework (function 3), its finances (function 7) and approval of preferred options (effectively advanced drafts of) development plan documents (function 20). In any event, cabinet has power under Article 6 of the constitution to carry out all of the local authority's functions which are not the responsibility of any other part of the council.
76. The legislation on CIL does not prescribe decision making in respect of a charging schedule. The only relevant requirement is that the charging schedule, once approved by the examiner, should be approved by a resolution of the full council of the charging authority (Section 213(2) of the Planning Act 2008).

Strategic Director of Finance and Corporate Services (FC14/055)

77. This report is requesting council assembly to approve the community infrastructure levy and Southwark's "regulation 123 list" as reflected in the recommendations. Full details of the proposals are contained within the main body of the report.
78. The strategic director of finance and corporate services notes that the council expects to receive the same amount of income under the new proposals. However, it is noted that, as the purpose of CIL is to support growth rather than mitigate impacts of specific developments, it can be used more strategically than section 106 contributions.
79. It is also noted that the availability of income under the new proposals in funding the council's infrastructure projects will be closely monitored on a regular basis.
80. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
London Plan 2011 http://www.london.gov.uk/priorities/planning/londonplan	Southwark Council 160 Tooley Street London SE1 2QH	Barbara-Ann Overwater 020 7525 5411
Southwark Statement of Community Involvement 2008 http://www.southwark.gov.uk/info/856/planning_policy/1238/statement_of_community_involvement_sci	Southwark Council 160 Tooley Street London SE1 2QH	Barbara-Ann Overwater 020 7525 5411
Saved Southwark Plan 2007 http://www.southwark.gov.uk/info/856/planning_policy/1241/the_southwark_plan	Southwark Council 160 Tooley Street London SE1 2QH	Barbara-Ann Overwater 0207 525 5411
The Core Strategy 2011 http://www.southwark.gov.uk/info/200210/core_strategy	Southwark Council 160 Tooley Street London SE1 2QH	Barbara-Ann Overwater 020 7525 5411
Section 106 Planning Obligations and Community Infrastructure Levy (CIL) Supplementary Planning Document (SPD)	Southwark Council 160 Tooley Street London SE1 2QH	Barbara-Ann Overwater 020 7525 5411

APPENDICES

No.	Title
Appendix A	Examiner's Report on the Southwark CIL Revised Draft Charging Schedule (RDSCS)
Appendix B	Southwark Community Infrastructure Charging Schedule
Appendix C	Regulation 123 List
Appendix D	Southwark CIL Infrastructure Plan (available on the website)
Appendix E	Southwark CIL Updated equalities Analysis (available on the website)
Appendix F	Southwark CIL Consultation Report (available on the website)

AUDIT TRAIL

Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Tim Cutts, Planning Policy	
Version	Final	
Dated	12 March 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director for Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	12 March 2015	



Report to the Council of the London Borough of Southwark

by B J Sims BSc(Hons) CEng MICE MRTPI

an Examiner appointed by the Council

Date: 2 March 2015

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

**REPORT ON THE EXAMINATION OF THE
SOUTHWARK COUNCIL
COMMUNITY INFRASTRUCTURE LEVY
REVISED DRAFT CHARGING SCHEDULE
DECEMBER 2013**

Revised Draft Charging Schedule submitted for Examination on 22 April 2014

Examination Hearing conducted 29 and 30 July 2014

File Ref: PINS/A5840/429/8

Summary

This Report concludes that the Southwark Council Community Infrastructure Levy Revised Draft Charging Schedule December 2013 provides an appropriate basis for the collection of the levy in the London Borough. The Council has sufficient evidence to support the Schedule and can show that the levy is set at a level that will not put the overall planned development of the Borough at risk.

However, modifications are needed to meet the statutory requirements. These are as set out in a Statement of Modifications put forward by the Council and are summarised as follows:

- deletion of the separate category of ‘destination’ retail development and express exclusion of ‘town centre car parking provision’ from uses ‘akin to retail’,
- application of a nil rate for ‘All Other Uses’,
- definition of the Nomination Student Housing rate as an ‘average’ value, and
- partial realignment of the boundary between charging Zones 1 and 2.

The specified modifications recommended in this Report do not alter the basis of the Council’s overall approach or the appropriate balance achieved.

Abbreviations

<i>[]</i>	<i>[document reference]</i>
AA	Action Area
AAP	Action Area Plan
BCIS	Building Costs Information Service
BMLV	Bench Mark Land Value
CIL	Community Infrastructure Levy
CS	Core Strategy
CSH	Code for Sustainable Homes
CUV	Current Use Value
EUV	Existing Use Value
GLA	Greater London Authority
IP	Infrastructure Plan
IRR	Internal Rate of Return
LDS	Local Development Scheme
m	metre(s)
NPPF	National Planning Policy Framework
OA	Opportunity Area
para	paragraph
PPG	Planning Practice Guidance
psm	per square metre
pw	per week
PRS	Private Rented Sector
RDCS	Revised Draft Charging Schedule
RICS	Royal Institution of Chartered Surveyors
RLV	Residual Land Value
SoM	Statement of Modifications
SPD	Supplementary Planning Document
sqm	square metre(s)
VS	Viability Study
VSU	Viability Study Update

Introduction

Legislation and Guidance

1. This Report contains my assessment of the Southwark Council Community Infrastructure Levy (CIL) Revised Draft Charging Schedule (RDCS) in terms of Section 212 of the Planning Act 2008 and the CIL Regulations 2010 as amended in 2011, 2012 and 2013. It considers whether the RDCS is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with national guidance [*Planning Practice Guidance (PPG) - Community Infrastructure Levy – June 2014*].
2. It is accepted by the Council and Representors that the further Amendment Regulations of 2014 do not apply because the RDCS was published for consultation before their commencement date of 24 February 2014. Therefore, the statutory requirement under Regulation 14 of 2014 that the Council ‘must strike an appropriate balance’ does not have effect but the original obligation of 2010 to ‘aim to strike what appears to be an appropriate balance’, between funding from CIL and its potential effects on development viability, must still be met.
3. It is noted that further Amendment Regulations are proposed to commence on 1 April 2015, introducing social housing relief from CIL where a dwelling is let at no more than 80% market rent by a private landlord. This change, if implemented as proposed, is unlikely to affect adversely the overall viability of any private rented sector (PRS) housing in Southwark. Further reference is made to PRS housing below.
4. The PPG CIL guidance replaced, with minor changes, the Government CIL Guidance of February 2014 which, in turn, had superseded the CIL Guidance of April 2013. It is generally accepted by the Council and Representors that, compared with previous versions of CIL guidance, the current PPG makes no substantial difference to the examination of the RDCS.
5. To comply with the relevant legislation, Southwark Council, as local charging authority, has to submit what it considers to be a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the Borough.

Submission, Examination Hearing and Interim Findings

6. The RDCS of December 2013 was published for public consultation between 14 January and 25 February 2014 [*Document CDCIL1*]. The RDCS replaced an earlier Draft Charging Schedule [*CDCIL2*] which was subject to public consultation in February to April 2013 [*CDCIL2*]. The RDCS was submitted for Examination on 22 April 2014 and a single Hearing was held on 29 and 30 July 2014.
7. The documentation submitted with the RDCS included a Viability Study (VS) [*CDE1*], as well as the Original Representations on the RDCS [*CDCIL9*] and the responses to them by Southwark Council officers [*CDCIL5-I*]. The Council published certain further documentary evidence after the submission of the

RDCS but before the Hearing. This comprised, in particular, large scale zone boundary maps [CDEIP5], a Background Evidence Paper revised in April 2014 [CDCIL7] and CIL Viability Further Sensitivity Testing revised in March 2014 [CDE2]. The Council gave a written explanation of these revisions together with responses to Initial Questions from the Inspector [CDEIP2] including a breakdown of CIL yield and infrastructure costs by Opportunity and Action Area [CDEIP2 Addendum].

8. Immediately following the Hearing, the Council provided copies of further documents requested at the Hearing, namely, Greater London Authority (GLA) endorsement of the Elephant and Castle Supplementary Planning Document (SPD) [CDEIP7] and GLA comments on the RDCS [CDEIP11]. The Council submitted, at the same time, a further Build Costs Analysis [CDEIP9], Hotel Transactions information [CDEIP10] and Proposed Minor Amendments to the RDCS [CDEIP8] but these were largely overtaken by subsequent additional work (detailed below).
9. The Council also published its revised Local Development Scheme (LDS) October 2014 to December 2019 which includes a commitment to review the CIL Schedule in 2018.
10. On 26 August 2014, after consideration of the discussion at the Hearing and all the written evidence then available, I forwarded Interim Findings to the Council [CDEIP13]. These concluded that, although the general approach of the Council to the viability testing of the RDCS was appropriate (as discussed below), the evidence put forward by the Council was insufficient to justify certain of the proposed draft charging rates; and also that, on the evidence of representors, there appeared to be no scope for a separate rate for PRS housing.

Statement of Modifications and Basis of Examination and Report

11. In response to my Interim Findings, the Council held a stakeholder consultation workshop on 8 October 2014 [CDEIP20]. One representor submitted a legal opinion on the scope for a separate PRS housing rate dated 31 October 2014 [CDEIP27]. The Council subsequently provided for public consultation, between 11 December 2014 and 13 January 2015, a Statement of Modifications (SoM) under Regulation 11(1) [CDEIP24], to which was appended a Viability Study Update (VSU) and other supporting documentation [CDEIP21-23]. This further work included the Council response to the PRS legal opinion. Representations made upon the SoM and VSU, together with Council responses to them, were submitted for my consideration by 16 January 2015.
12. The basis for the Examination and this Report is therefore the submitted RDCS of December 2013 as modified by the Statement of Modifications of December 2014. The SoM makes one minor and four substantive changes to the RDCS, none of which attract substantial objection. I therefore endorse the SoM and, for clarity, set out those modifications in the Appendix to this Report.
13. The Examination was conducted with strict reference to the submitted RDCS and the related VS and VSU. However, where representations duly made to the RDCS rely upon previous representations to the Draft Charging Schedule,

these are also taken into account [CDCIL5-H], together with all of the foregoing information.

14. This Report also takes into account that the Council has not served notice that it will offer exceptional circumstances relief from CIL and has indicated that it has no intention of doing so.

Public Consultation

15. It is claimed, on behalf of local organisations and individuals concerned to promote local developments, that the RDCS consultation process, conducted by way of the Council website and stakeholder workshops, failed to enable their participation. However, there is nothing to indicate that the Council failed to undertake full consultation in accordance with its Statement of Community Involvement as reported in its Statement of Consultation [CDCIL5].

Proposed Charging Rates

16. Taking into account the SoM, the Council now proposes a series of some 13 individual charging rates, excluding nil rates, in five categories over three charging Zones.
17. Zone 1 comprises an area of the Thames South Bank in the north west corner of the Borough including the Bankside, Borough and London Bridge Opportunity Areas (OA). Zone 2 consists of most of the rest of the Borough to its southern boundary beyond Dulwich but excludes the central area between Camberwell and Peckham which comprises Zone 3. *(The SoM transfers from Zone 1 into Zone 2 a small area between Union Street and the railway viaduct west of London Bridge Station.)* Zone 2 includes the Elephant and Castle OA and the Canada Water OA and Action Area (AA). The Peckham and Nunhead AA is within Zone 2 and the Aylesbury AA is within Zone 3.
18. The Revised Draft charging rates, as modified, are tabulated with explanatory footnotes in the SoM [CDEIP24 Table 1]. Briefly:
- Residential rates are £400 per square metre (psm) in Zone 1, £200 psm in Zone 2 and £50 psm in Zone 3 with £100 in all Zones for direct let student housing. Nomination student housing restricted to rent below £168 per week (pw) is nil-rated. *(The SoM qualifies the £168 threshold as an 'average' figure.)*
 - The commercial rate for office development is £70 psm in Zone 1 but nil in Zones 2 and 3.
 - The rates for hotel development are £250 psm in Zone 1 and £125 psm in Zones 2 and 3.
 - The rate for all retail development, and sui generis uses akin to retail, in all Zones is £125 psm. *(The SoM deletes a former rate of £250 psm for destination superstores, supermarkets, shopping centres and malls.)*
 - Town centre parking, public libraries, industrial, warehousing and education development and all other uses are nil-rated. *(The SoM reduces a former rate of £30 psm for 'All Other Uses' to zero.)*

Available Evidence

Infrastructure Planning Evidence and the Need for a CIL

Local Planning Policy

19. Southwark Council has achieved adopted Local Plan coverage of the Borough including by way of its Core Strategy (CS) 2011 [CDL1], the Peckham and Nunhead Area Action Plan (AAP) 2012 (adopted November 2014), the Aylesbury AAP 2010 [CDL7] and the Revised Canada Water AAP 2013 [CDL6]. The CS makes provision for 24,450 additional dwellings in the Borough to 2026 to include 35% affordable housing from developments of 10 or more dwellings. Of the total provision, some 14,600 units (approximately 60%) are divided between the Bankside, Borough and London Bridge OA, the Elephant and Castle OA, the Canada Water AA, the Aylesbury AA and the Peckham and Nunhead AA.
20. The Council has in place the Elephant and Castle SPD 2012 guiding development and the provision of infrastructure in that OA. The Council also has in place the Southwark Infrastructure Plan (IP) December 2013 [CDCIL6] identifying the infrastructure needed to support planned development with information on scheme costs, funding and timing of their delivery. Crucial to the delivery of both market and affordable homes in the Borough is the completion of rail and road transport improvements at Elephant and Castle as the largest single infrastructure requirement. The estimated cost of this work is over £154 million of which some £36 million is anticipated to come from CIL revenues.
21. The recently examined Further Alterations to the London Plan (FALP) [CDR2] contemplate increased housing growth for the Borough with Canada Water and Old Kent Road nominated as potential OAs.

Funding Gap

22. CIL receipts are projected to amount to approximately £112 million, compared with a total funding gap of nearly £550 million. This is based on a wide range of infrastructure requirements identified in the foregoing Local Plan documents, including transport, open space, education, health, sport and leisure and emergency services. It is not disputed that these figures, drawn from adopted Local Plan documents and essentially unchallenged cost estimates, demonstrate the need for a CIL in Southwark. That is in addition to the London Mayoral CIL for Southwark of £35 psm, which is applicable to all new development in any event, apart from health and education developments.
23. Essentially the same range of infrastructure schemes identified in the IP are carried forward into the current Southwark CIL Draft Regulation 123 List of December 2013, setting out the projects capable of being funded by CIL [CDCIL4].
24. Local concern is noted that no mention is made in the RDCS of the allocation of 25% CIL receipts to fund specific neighbourhood projects. However, that is

a matter of implementation of the RDCS, once approved, and beyond the scope of the Examination and this Report.

Viability Evidence

Viability Studies

25. The Council commissioned from specialist consultants (BNP Paribas) its CIL Viability Study (VS) of November 2013 [CDE1], which was used to inform the consultation RDCS. The VS was supplemented by Further Sensitivity Testing [CDE2] commissioned from the same consultants after publication of the RDCS but before its submission for examination. The Council also commissioned from specialist consultants (Montagu Evans) Viability Analyses for Harmsworth Quays [CDE3] and Canada Water [CDE4] as well as a range of other area- and subject-specific viability assessments [CDE5-9].
26. In response to my Interim Findings, the Council provided a Viability Study Update (VSU) by the same specialist consultants (BNP Paribas) [CDEIP22]I.
27. The VS and VSU were based on development appraisals using a standard residual land value (RLV) method for an overall total of 73 developments including 65 sample sites, two hypothetical scenarios and 6 PRS scenarios on 3 of the sample sites. Of these developments, the majority of some 81% related to the OAs and AAs, where most development is expected to occur. The sample sites are not directly aligned to actual developments or proposals but generally appear to relate to individual developments reasonably expected to take place under the adopted Local Plan. There is a realistic variety and combination of type and scale of residential, student residential, retail, office, hotel and industrial uses spread through the sample, all on brownfield sites reflecting the highly urban character of the Borough.
28. Aside from a question of whether up-front payments for land and their funding are properly included as development costs, the numerical calculations within the viability assessments themselves are unchallenged in the written representations. At the Hearing it was accepted that these land costs are, in practice, correctly included, with the existing use value deducted from the residual value.
29. Where the VS and VSU are questioned, dispute largely surrounds the suitability of the assessments and their results for setting rates for the majority of planned development in the OAs and AAs in the amounts and combinations of uses set down in the adopted and emerging elements of the Local Plan.

Viability Assessment Methodology

30. Before assessing the individual Revised Draft charging rates it is appropriate to consider, in broad terms, the methodology of viability and rate setting adopted by the Council and its consultants in the light of the National Planning Policy Framework (NPPF) and PPG and other established guidance on financial viability testing.

31. The NPPF (paras 162, 173-177) promotes the provision of the infrastructure necessary to support Local Plans and seeks to ensure their viability and deliverability, including a competitive return to willing developers and land owners.
32. In support of that central aim, the PPG on CIL (paras 009, 015, 018, 019) requires the Council, as charging authority, to show and explain, by way of a robust evidence base, how its proposed CIL rates will contribute towards the implementation of its Local Plan and support development across the Borough. This should be drawn from ‘appropriate available evidence’.
33. Further current guidance is contained in the publications *Viability Testing Local Plans June 2012* by the Local Housing Delivery Group chaired by Sir John Harman (the Harman guidance) and in *Financial Viability in Planning 2012* by the Royal Institution of Chartered Surveyors (RICS guidance).
34. The Harman guidance supports the use of RLV methodology over a market value approach. This matter has now been debated in many CIL schedule examinations, including that of the London Mayoral CIL Schedule, with the conclusion that the RLV approach is to be preferred and there is no convincing evidence that any different methodology should be used. This is because a market value approach risks building in assumptions of current policy rather than helping to inform the potential for future policy costs.
35. Importantly, however, the Harman guidance points out that, on large complex sites, there are intrinsic and essential additional costs of land assembly and planning promotion outside the activities on which developer returns are based. It further states that reference to market values can still provide a useful ‘sense check’ on the Benchmark Land Value (BMLV), input to the viability assessment model, at which a willing developer is likely to release land for development and that special consideration needs to be given to the manner in which BMLV is treated for larger scale sites promoted in the Local Plan.
36. The RICS guidance defines Site Value as equating to market value, assuming that the value has regard to development plan policies and other material planning considerations and, with respect to CIL viability testing, is adjusted as necessary to reflect emerging policy and CIL charges. The RICS guidance asserts that the singular use of current use value (CUV) plus a margin, or Existing Use Value (EUV) plus a premium as used in this case, does not reflect the market and that margins are arbitrarily applied. For this reason it supports the use of market value reflecting alternative use. This is consistent with the NPPF acknowledgement that willing sellers should receive competitive returns.
37. There is nothing essentially contradictory between these two sets of guidance. But where RLV is used to determine viability the results need to be sense checked against market evidence, especially where the delivery of the Local Plan is dependent upon the viability of large scale, strategic developments such as that planned for the OAs and AAs of Southwark. That is not to say that, as seems to be implied by some Representors, that projects planned within AAs and OAs should be separately defined as strategic development and given special treatment or charged lower rates for that reason alone. The

central consideration, applied across the entire Borough, is whether the appropriate balance has been struck in terms of the relevant legislation and guidance quoted above.

38. The Council VS and VSU are appropriately focussed on the RLV of development sampled mainly within the OAs and AAs of the Borough. Although these are not directly aligned to actual developments they appear to represent a reasonable range and distribution of type and scale of development both experienced and planned across the Borough.
39. The VS and VSU correctly take into account the adopted policy requirement for an average 35% affordable housing [*CDCIL1 Core Strategy Strategic Policy 6*] and Code for Sustainable Homes (CSH) Level 4 in residential development, an allowance for section 106 planning obligations supported by records of past receipts [*CDCIL7 Appendix 1*] and contributions to Crossrail, as well as the statutory £35 Mayoral CIL applicable to the majority of developments in the Borough.
40. The Zone boundaries are informed both by residential site values and ‘heat mapping’ of house prices and notably are essentially unchallenged, subject to limited modification to a section of the boundary between Zones 1 and 2 at Union Street, as set out in the SoM.
41. In the VSU, the results of the site appraisals were subject to a series of illustrative sensitivity analyses incorporating sales and capital values increased by 10% and 20% and costs increased and decreased by 10%. CIL rates are set pragmatically well below the average notional capacity of the tested sites to accommodate a CIL charge allowing for a reasonable ‘buffer’, usually over 40%. The area-specific viability analyses also adopt an RLV approach which is essentially consistent with that of the Borough wide VS and VSU and provide a degree of market testing, mainly for the Canada Water AA.
42. The VS and VSU disregard sites assessed as unviable with or without CIL being charged. This is shown to be appropriate in the light of further sensitivity testing indicating that, whereas some sites could be brought into viability by reducing their affordable housing contribution below the policy requirement, they would otherwise be unviable irrespective of CIL.
43. Assessments within the VS for sites in the OAs and AAs relate simply to component land uses within those areas without consideration of their necessary interrelationship in the implementation of the respective AAPs as a whole. Whilst it would be impractical to charge a ‘mixed use’ rate, many of the relatively large-scale developments in the OAs and AAs will include a combination of uses of varying viability where some degree of cross-subsidy will occur in practice. Within the VSU therefore, additional sites are assessed, and those considered in the VS revisited, in order to establish the viability of their projected uses in the combinations envisaged in the Local Plan.
44. However, much of the data input to the site assessments within the VS and VSU is still questioned. In particular, the VS and VSU are broadly criticised on grounds that the scale, nature and extended timescale of the developments planned for the OAs give rise to a high level of investment risk, justifying greater allowances, including for BMLV, building costs and developer profit,

than have been assumed, and a more cautious approach to the viability buffer allowed in setting the CIL rates.

Bench Mark Land Value

45. In particular, it was asserted that calculated BMLVs input to the VS appraisals were not reflective of recorded market transactions, quoted as up to four times greater in practice. It was noted that the Council relied for CUV on the 2010 rating list with an antecedent valuation date of 2008, being thus dated by 6 years, during which time land values have generally risen. Rateable value was generally taken by the Council as a proxy for sales value, including in compulsory purchase negotiations.
46. The VSU appropriately provides a measure of direct market comparison as a check on input BMLVs. Further market research of the Land Registry database and local transactions and properties on the market shows an uplift of some 40% in sales values since the data informing the VS was collected in 2012.
47. Local market rents and yields are carried forward in assessing the key EUV of the appraisal sites. For cleared sites the estimated alternative policy-compliant use value is taken. The added uplift premium ranges between 10% and 20%, depending upon factors of site condition and occupancy likely to influence demand for the land and owner incentive to sell.
48. Notwithstanding some continued objection, the assumptions leading to the BMLV input data appear realistic on the whole, and the VSU is consistent with the foregoing guidance in this respect.

Building Costs and Development Efficiency

49. The building cost input to the VS were also broadly criticised by stakeholders as being too low for the local market. The Council shows, by way of a build costs analysis [*CDEIP9*], that the costs used were RICS Building Costs Information Service (BCIS) rates weighted for Southwark, including a 15% allowance for external (as distinct from abnormal) costs over the rates applicable when the VS of November 2013 was prepared. Similar build cost levels were input to the Elephant and Castle Section 106 Tariff Development Viability Study of December 2011 and appear realistic for that date.
50. The BCIS data was also criticised as being limited in scope and relating to relatively modest, low-rise developments, whilst the rates used did not appear to have been compared with actual prices, despite the likely effect of subsequent market inflation.
51. The VSU rebases the BCIS build costs to reflect local costs, inflated using the appropriate BCIS Index, and taking into account the variation in gross-net ratio efficiency according to building height and location [*CDEIP22 Appendix 5*]. The resultant values were cross-checked by comparison with viability assessments submitted to the Council in connection with actual planning applications between 2012 and 2014 [*CDEIP21*].
52. As for abnormal costs, these are evidently not included in the 15% allowance over BCIS rates. The degree to which such costs are likely to be incurred is

always uncertain, especially on the invariably urban brownfield sites in Southwark where remediation may be required. However, some non-standard costs are known and can be taken into account within individual site assessments and the Council considers other exceptional costs to be sufficiently covered by an overall 5% contingency figure. Accepting that abnormal costs would be reflected in the value of the land for an individual scheme, the building costs input to the VSU appear reasonable in the broader context of Borough CIL rate setting for all development types and locations assessed.

Developer Profit

53. There is conflicting evidence as to the appropriate level of developer profit allowed in the VS and its manner of calculation. The Council maintains that the 20% profit on cost (6% for affordable housing) is conservative compared with its own experience of rates of 15% to 17.5%. Developers prefer to calculate profit for the large scale development planned for OAs and AAs on Internal Rate of Return (IRR) on grounds of higher risk resulting in higher percentages. However, the Council figures are supported by written evidence from public sector property specialists employed to undertake viability assessments for developments proposed in the Borough, whilst IRR results show wide variation. Overall the profit figure of 20% on-cost Borough wide is best supported by the information available.

Analysis of VS and VSU Results as the basis for setting Revised Draft Rates

54. The sample sites are broadly representative of development across the Borough, including the OAs and AAs, and the VSU increases the number of assessments within Zone 1, in particular, to provide a finer-grained analysis than the VS. Within individual categories of development, the capacity to accept CIL varies widely. However, when the maximum residential CIL rate of £400 psm is applied in Zone 1, for example, only three of the six sites tested would be viable but the remainder would be unviable without CIL in any event, requiring a shift in market conditions to come forward [CDEIP22 Table 5.5.1]. The lesser residential rate of £200 for Zone 2 is substantially justified on a similar basis with only two sites out of 18 unviable as a result of charging CIL [CDEIP22 Table 5.9.1]. Comparable results were obtained for the commercial rates.

Market Testing and Developments in Opportunity and Action Areas

55. Limited market testing was been undertaken by way of viability analyses of the Canada Water AAP [CDE3-4]. These used rateable value as a proxy for CUV and assumed a profit of 20% on cost rather than IRR. However, they realistically took into account the RDCS rates, together with specific construction costs, and addressed holistically the mix of development projected within the AAP. The Council admits that the viability of the AAP is shown as marginal and relies on predicted positive economic trends coupled with improved project cash flow due to the necessary phasing of development over time. Importantly however, the purpose of these analyses was not directly related to the RDCS but to the viability of the AAP.

56. The VSU still does not apply IRR and other input data to whole OAs and AAs as strategic sites. However, it does now robustly analyse the majority of the example sites that lie within them on the basis of the combination of uses envisaged. The VSU utilises updated input data on building costs and BMLV with profit levels supported by independent valuation consultants. The results of the VSU confirm the broad viability of schemes that would make up the total development of the OAs and AAs. The evidence thus supports the application of the draft RDCS rates across each charging zone as a whole, irrespective of whether the development would fall within or outside an OA or AA. In further support of this approach, the Local Plan only depends on two sites to produce more than 2,500 dwellings each, or 6% of total housing required, including the Heygate Estate, which already has planning permission.
57. Parallels may be drawn between the OAs and AAs of Southwark and equivalent strategic development areas of the London Boroughs of Tower Hamlets and Kensington and Chelsea, where recent CIL Schedule Examinations have resulted in recommendations for CIL rates of nil in those areas. The detailed evidence that led to those recommendations is not before me and this RDCS is examined on its own merits. However, the Reports in question appear to identify that both those Boroughs are proportionately more dependent than Southwark on individual strategic sites to bring forward their Local Plans. Direct comparison is not therefore appropriate.

Private Rented Sector

58. There is support in the representations for separate consideration of PRS housing on grounds that this is to be encouraged as an important element of housing supply to serve an increasing demand from those who are unable to afford private ownership but who do not qualify for affordable housing.
59. With reference to the submitted legal opinion and response by the Council [*CDEIP27; CDEIP28.10; CDEIP29*], there is no policy limitation on the provision of PRS housing should a private developer choose to offer property for rent and no impediment to ensuring that form of tenure by way of legal planning obligation.
60. However, there is no adopted local policy requirement in Southwark for the provision of PRS housing. At the same time there is evidence from accredited sources of improved buoyancy in the property market, reducing to around 5% the likely discount available on bulk sale or purchase of PRS residential property, previously estimated at up to 30%. Viability testing by the Council of potential PRS schemes within the sample sites indicates viability with the RDCS rates imposed but assuming the current likely level of market discount. There is also evidence that residential developments will alternate between PRS and open market sale according to changing circumstances.
61. On the evidence now available therefore, there is no necessity for a separate CIL rate for PRS housing and, in the absence of any policy requirement for an element of private rented housing within planned development, no such modification of the RDCS is currently justified.
62. Even so, this area of the market justifies careful monitoring in the light of future economic trends. It would be appropriate for the Council to include a

review of this matter in the projected three-year review of the RDCS. This might include engagement with stakeholders and consideration of any possible mechanism for implementing differential rates, such as by way of a legal planning obligation, as well as any implication of the proposed CIL Amendment Regulations 2015 on social housing relief.

Student Housing Rates

63. There is local objection to the relatively modest level of the direct let student housing rate of £100 compared with higher rates charged in other London Boroughs. The Council points out that Southwark is the only London Borough with a policy requirement for an affordable contribution within student housing developments. This reduces their maximum capacity for CIL, as the VS demonstrates [*CDE1 Table 6.14.1*]. Direct comparison with rates elsewhere is therefore precluded and objection to the Southwark rate on this ground is unfounded.
64. Other questions related to nomination student housing are largely a matter of implementation of the RDCS in terms of whether the maximum rent of £168 per week should be regarded as an average, as now proposed in the SoM, and whether it would be capped or index-linked to RPI or CPI, the former being favoured by Representors without dissent by the Council.
65. There is ongoing discussion between the Council and one provider of student housing around a number of other detailed issues, including with respect to the minimum student occupancy of 41 weeks per year set down in draft SPD [*CDL10*]. However, the draft rate, based on an index-linked, maximum average rent of £168 per week is justified on the evidence for inclusion in the RDCS.

Hotel Rates

66. The VS and VSU base the two rates for hotel development (£250 psm in Zone 1 and £125 psm in Zones 2-3) on a number of sites with planning permission and widely varying values of maximum CIL. It is evident from recent, informed market commentary that the hotel market across London is buoyant. Values per room noted in the VSU are very much higher in the north of the Borough, including Zone 1, than in the south in a range of £80,000 to £300,000. These figures represent a substantial increase over those recorded at the time the VS was prepared and are broadly supported by transactional data [*CDEIP22 Table 5.49.1 and Appendix 8*].
67. The main objection, from budget hotel operators, is that the rate of £125 for all except Zone 1 fails to recognise the further variation in values across Zones 2 and 3, with only sites relatively close to the boundary of Zone 1 having been assessed and none toward the southern edge of the Borough.
68. It is further claimed that the examples taken fail to reflect the room size standards set by various budget hotel companies of up to 24 sqm net or 34 sqm gross. However, the Council bases its assessments on actual planning permissions granted.

69. It is not practical to differentiate between types of budget or luxury hotel operation which can change within a permitted use. Moreover, in those examples assessed within Zones 2 and 3, the lower rate is well below the maximum CIL capacity of any type of hotel. Furthermore, there is further evidence of budget hotel promoters achieving lower building costs per room than those input to the VS appraisals.
70. The hotel rates appear overall to be sufficiently conservative to be justified on the evidence.

Retail Rates

71. The Council now proposes a minor modification to the RDCS to delete reference to car parking provision in sui generis uses akin to retail. This modification is carried forward in the SoM and is endorsed as uncontroversial.
72. Concern regarding the Revised Draft retail rates tested in the VS mainly concerned the higher rate of £250 psm for ‘destination’ retail developments. These were defined as comprising large shopping centres, malls and supermarkets, invariably providing car parking, high volume sales and high unit rents and values but often occupying brownfield sites, such as former industrial areas, with lower initial costs. Following my Interim Finding that the distinction between destination and other retail uses was not made out, the ‘destination retail’ category and the related CIL rate of £250 is deleted in the SoM and this modification is also endorsed.
73. By comparison, the lower rate of £125 psm for other retail development is not substantially challenged, save with respect to the claim that OAs and AAs, and Canada Water in particular, should be nil-rated overall, as considered above.
74. However, there is a proposition that retail development below 280 sqm should be nil-rated, citing other London CIL Schedules, in the interest of promoting local shopping provision. Treating the Southwark RDCS on merit however, the VS assesses a wide range of retail operations including some well below that size threshold. Any development below 100 sqm is not liable for CIL in any event, whilst there is potential that many developments would reuse existing floorspace, also not subject to CIL. On the available evidence, the case for a differential zero rate for retail development below 280 sqm is not made out.

‘All Other Uses’ Rate

75. There were objections from statutory infrastructure providers, specifically of sewage and water facilities and fire stations, that it is illogical and inappropriate for the ‘All Other Uses’ rate to be charged against such publicly funded development. There was also local objection in principle to the ‘All Other Uses’ rate being charged for community facilities such as public halls, youth clubs or child care facilities, especially given that the Mayoral CIL is already charged on all development. It was my Interim Finding that, despite exemptions applying to certain charitable organisations, the ‘All Other Uses’ rate was not substantiated. In the SoM it is reduced to nil and this modification, too, is endorsed.

Zone Boundaries

76. The definition of the boundaries between the three charging zones is supported by the VSU [*CDEIP22 Table 3.3.1*] and is largely unchallenged. Objections to the RDCS are mainly focussed on the rates charged within the zones.
77. There was, however, representation that the boundary between Zone 1 and Zone 2 along Union Street, between Blackfriars Road and Southwark Bridge Road, should be modified with respect to a narrow strip of development between the north side of the road and the face of the viaduct supporting the main railway line west of London Bridge. This led to an Interim Finding that this section of the boundary should be reconsidered, given the limited evidence of land values and the logic that this constrained strip of land, partly severed from the rest of Zone 1, should be subject to the lower charge of Zone 2. The boundary is duly modified in the SoM and this modification is endorsed.

Other Matters

78. Further representations seek relief from CIL for developments under 1,000 sqm. However there is no basis in evidence for such a distinction, given sites were assessed in a range of sizes including some well below that threshold shown to be viable with CIL imposed.

Overall Conclusions and Recommendation

79. The VSU is still broadly criticised as failing to address, point by point, the shortcomings identified in the VS, in the terms of my Interim Findings. It is fair to say that the additional evidence supplied by way of the VSU and its appendices is difficult to relate to the earlier VS due to inconsistencies of presentation. For example, instead of tabulating figures of RLV and CIL, the VSU simply categorises viability with or without CIL with only cross-reference to the appraisal results [*CDEIP22 Chapter 5 and Appendix 3*]. The tables are reduced in hard copy to the point of illegibility and are difficult to scan on-screen due to the need for re-enlargement. More important, the audit trail from appraisal to conclusion is discontinuous and hard to follow. The Council would be well advised, in its proposed review of the RDCS within three years, to set a clear brief to ensure sufficient sampling at the outset, clearly presented results and well-reasoned conclusions.
80. In further general support of the RDCS the Council also points out that many of the projected residential sites in OAs are already approved and that CIL never amounts to more than 3.75% of development project cost in Zone 1, 5.33% in Zone 2 and 1.31% in Zone 3. Furthermore, in practice a proportion of existing floorspace is reused within redevelopment and exempt from CIL, improving overall project viability.
81. Despite the foregoing criticisms, I am satisfied that the VSU in practice addresses the shortcomings identified in my Interim Findings and that the charging rates of the RDCS, modified in accordance with the SoM, are now robustly supported by appropriate available evidence as required.

82. In setting the CIL charging rates the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in the Borough. The Council has been realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, while ensuring that a range of development remains viable across the Borough as a whole.
83. However, whilst the LDS already requires the RDCS to be reviewed within three years, the Council should closely monitor the effects of the CIL charge, especially upon the viability and progress of planned strategic development in the OAs and AAs as well as PRS housing development, and undertake an earlier review if a need for this becomes evident.

LEGAL REQUIREMENTS	
National Planning Policy Framework and Planning Practice Guidance	Revised Draft Charging Schedule, modified as recommended, complies with national policy and guidance.
2008 Planning Act and 2010 Regulations (as amended 2011, 2012 and 2013)	The Revised Draft Charging Schedule, modified as recommended, complies with the Act and the Regulations in respect of the statutory processes, public consultation, consistency with the adopted Local Plan and Infrastructure Delivery Plan and is supported by an adequate financial appraisal.

84. I conclude that, subject to the modifications set out in the Statement of Modifications and, for the avoidance of doubt, endorsed and repeated in the Appendix to this Report, the Southwark Council Community Infrastructure Levy Revised Draft Charging Schedule December 2013 satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended 2011, 2012 and 2013).
85. I therefore RECOMMEND that the Draft Charging Schedule be approved.

B J Sims

Examiner

Appendix

Modifications proposed by the Council in the Statement of Modifications and Endorsed by the Examiner.

Modifications to the Revised Draft Charging Schedule are shown in Table 1 below.
Modifications to the charging zones are shown in Figure 1 below.

Table 1: Proposed modifications to the Revised Draft Charging Schedule

Development type	Zone *	CIL Rate £ per sq.m.
Office	Zone 1	£70
	Zones 2-3	£0
Hotel	Zone 1	£250
	Zones 2-3	£125
Residential	Zones 1	£400
	Zone 2	£200
	Zone 3	£50
Student housing – Direct let **	Zones 1-3	£100
Student housing – Nomination ***	Zones 1-3	£0
Destination superstores / supermarkets / shopping centres / malls ****	Zones 1-3	£250
All other retail (A1 – A5 & Sui Generis uses akin to retail) *****	Zones 1-3	£125
Town centre car parking *****	Zones 1-3	£0
Industrial and warehousing	Zones 1-3	£0
Public libraries	Zones 1-3	£0
Health	Zones 1-3	£0
Education	Zones 1-3	£0
All other uses	Zones 1-3	£30 £0

*These zones are shown in the CIL Zones Map 2013 below.

** Direct let student housing schemes – market rent levels

*** Nomination student housing schemes – rental levels set below an average of £168 per week and secured through a section 106 planning obligation

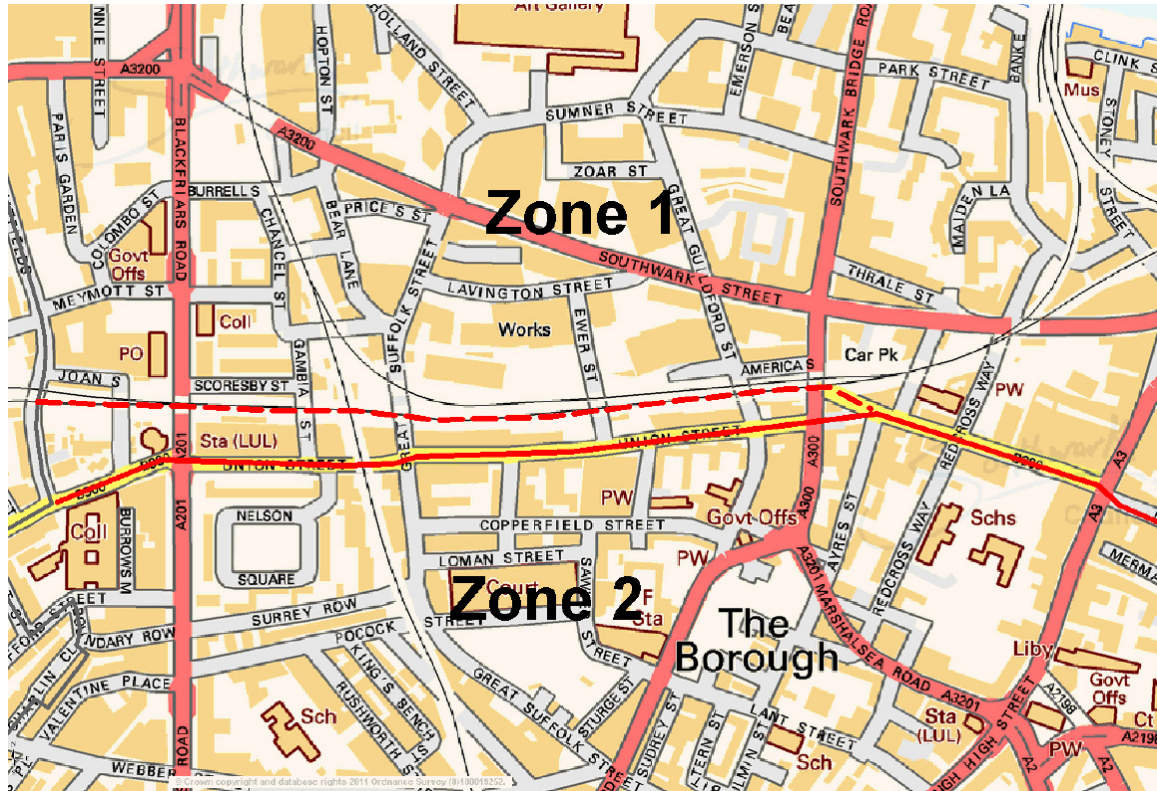
~~**** Destination superstores/supermarkets for weekly food shopping needs, which can include non-food floor space as part of the overall mix of the unit.~~

~~Shopping centres/shopping malls are shopping destinations which comprise one or more buildings providing a range of services including shops, cafes and restaurants, connected by pedestrian walkways, excluding town centre car parking provision.~~


~~***** Sui generis akin to retail includes petrol filling stations; shops selling and/or displaying motor vehicles; retail warehouse clubs, excluding town centre car parking provision.~~


~~***** Town centre car parking which is made available to all visitors to the town centre~~

Figure 1: Proposed modifications to the charging zone boundaries



Key

 Boundary between CIL zones 1 and 2 proposed in RDCS, December 2013

 Modification to boundary between CIL zones 1 and 2 proposed in Statement of Modifications, December 2014



Appendix B: Community Infrastructure Levy Charging Schedule

No.	Title
Appendix A	Examiner's Report on the Southwark CIL Revised Draft Charging Schedule (RDGS)
Appendix B	Southwark Community Infrastructure Charging Schedule
Appendix C	Regulation 123 List
Appendix D	Southwark CIL Infrastructure Plan (available on the website)
Appendix E	Southwark CIL Updated equalities Analysis (available on the website)
Appendix F	Southwark CIL Consultation Report (available on the website)

March 2015

**Planning Act 2008
Community Infrastructure Levy Regulations 2010 (as amended)**

**London Borough of Southwark
Community Infrastructure Levy
Charging Schedule (April 2015)**

The London Borough of Southwark is a charging authority for the purposes of Part 11 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy in respect of development in the London Borough of Southwark.

The rate at which CIL will be charged shall be:

Development type	Zone *	CIL Rate £ per sq.m.
Office	Zone 1	£70
	Zones 2-3	£0
Hotel	Zone 1	£250
	Zones 2-3	£125
Residential	Zones 1	£400
	Zone 2	£200
	Zone 3	£50
Student housing – Direct let **	Zones 1-3	£100
Student housing – Nomination ***	Zones 1-3	£0
All retail (A1 – A5 & Sui Generis uses akin to retail) ****	Zones 1-3	£125
Town centre car parking *****	Zones 1-3	£0
Industrial and warehousing	Zones 1-3	£0
Public libraries	Zones 1-3	£0
Health	Zones 1-3	£0
Education	Zones 1-3	£0
All other uses	Zones 1-3	£0

*These zones are shown in the CIL Zones Map 2013 below.

** Direct let student housing schemes – market rent levels

*** Nomination student housing schemes – rental levels set below an average of £168 per week and secured through a section 106 planning obligation

**** Sui generis akin to retail includes petrol filling stations; shops selling and/or displaying motor vehicles; retail warehouse clubs

***** Town centre car parking which is made available to all visitors to the town centre

As per Regulation 14 of the Community Infrastructure Levy Regulations 2010 (as amended), the Council is designated the collecting authority for the Mayor of London in Southwark. This requires a current charge of £35 per square metre to be levied in addition to the amounts specified above.

The amount to be charged for each development will be calculated in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as

amended). For the purposes of the formulae in paragraph 5 of Regulation 40 the relevant rate (R) is the rate for each charging zone shown in the charging schedule above.

CIL will be applied on the chargeable floor space of all new development apart from that exempt under Part 2 and Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended). The exemptions from the CIL rates are:

- The gross internal area of a new buildings or extensions to buildings will be less than 100 square metres (other than where the development will comprise one or more dwelling);
- A building into which people do not normally go;
- A building into which people go only intermittently for the purpose of maintaining or inspecting machinery; or
- A building for which planning permission was granted for a limited period.

Statement of Statutory Compliance

The Charging Schedule has been approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) and Part 11 of the Planning Act 2008 as amended.

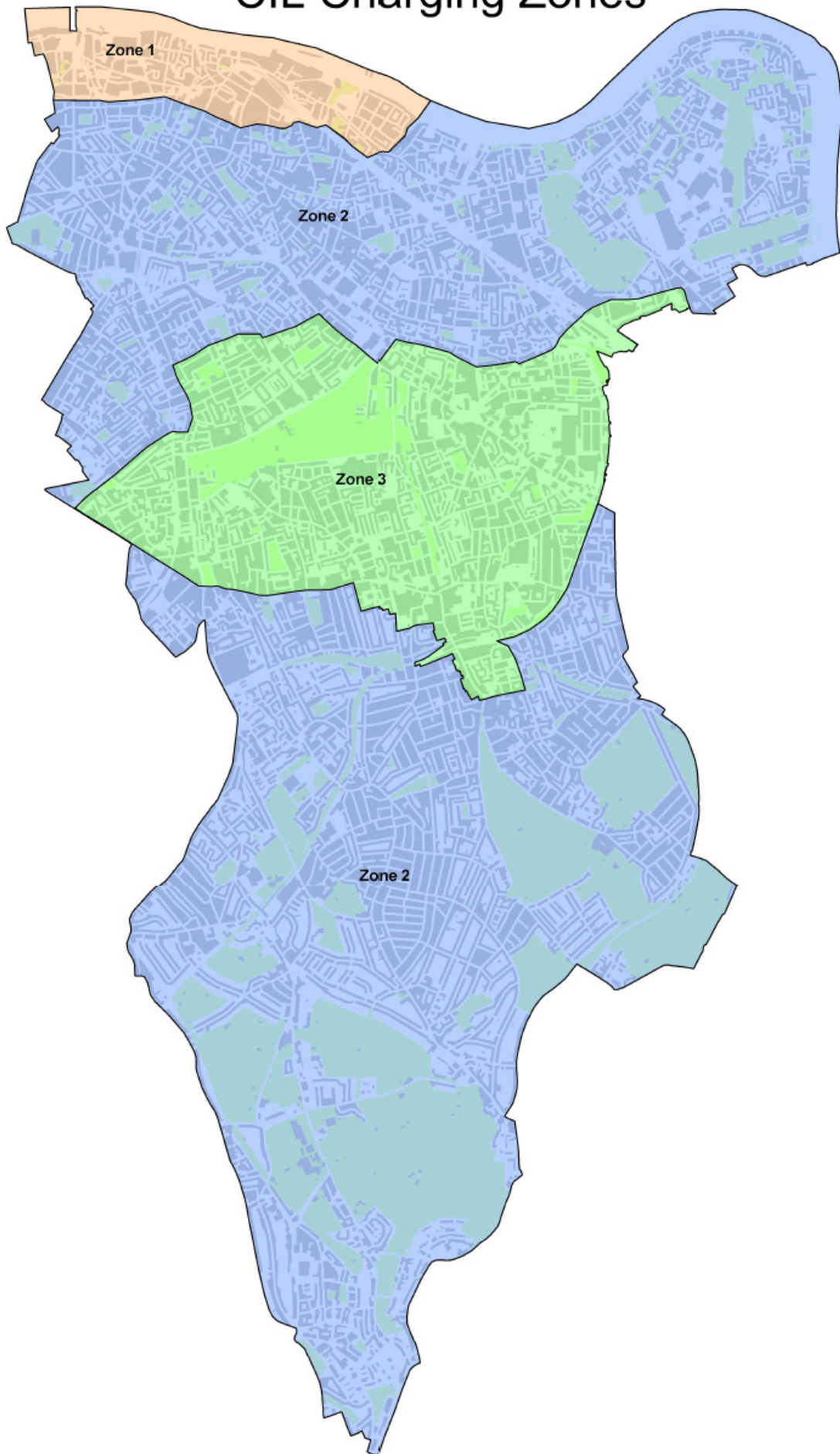
In setting the levy rates, the Council has struck an appropriate balance between;

- a) the desirability of funding from CIL in whole or in part the estimated cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding, and
- b) the potential effects, taken as a whole, of the imposition of CIL on the economic viability of development across its area.

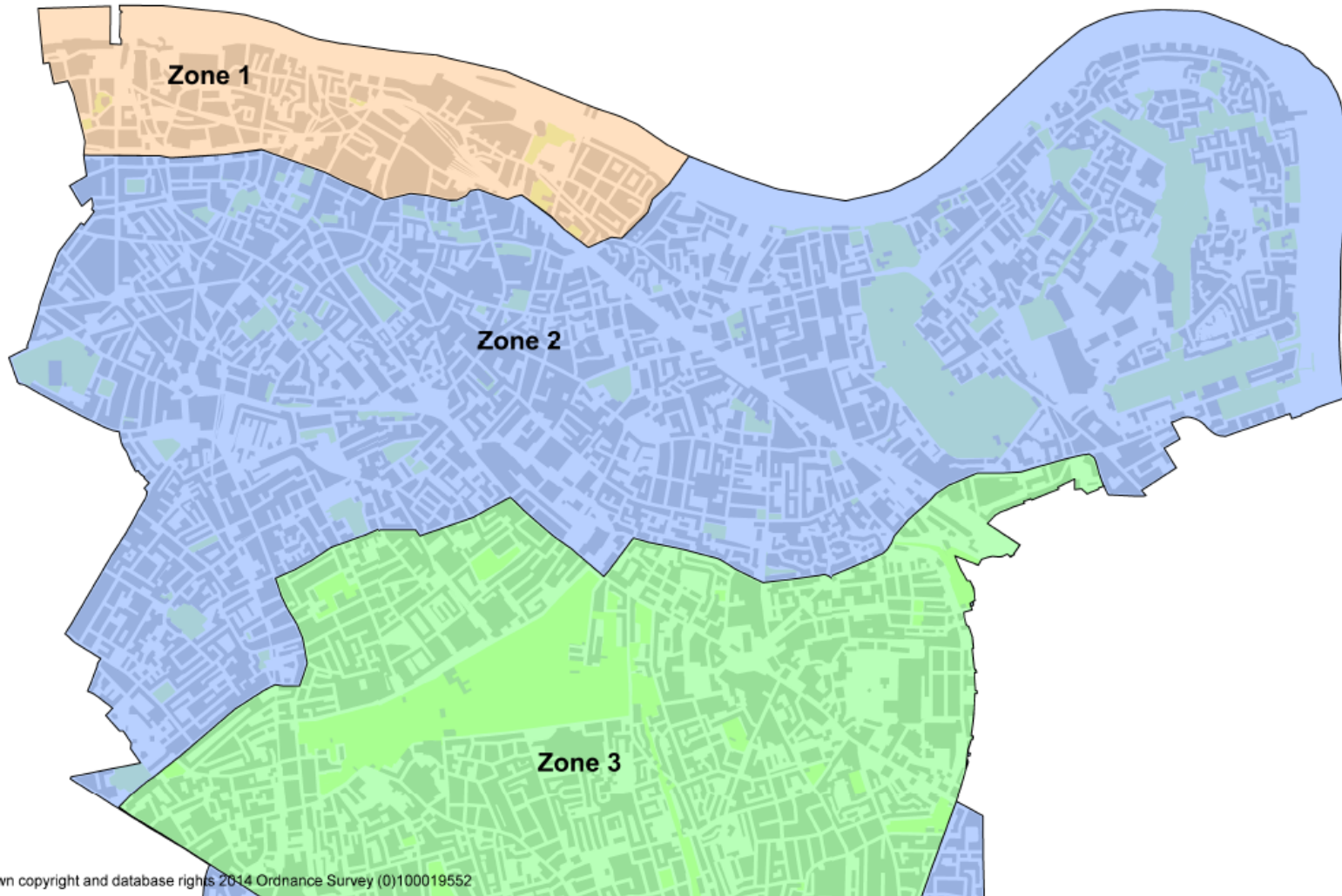
This Charging Schedule was approved by the Council on [25 March 2015]

This Charging Schedule will come into effect on [1 April 2015]

CIL Charging Zones

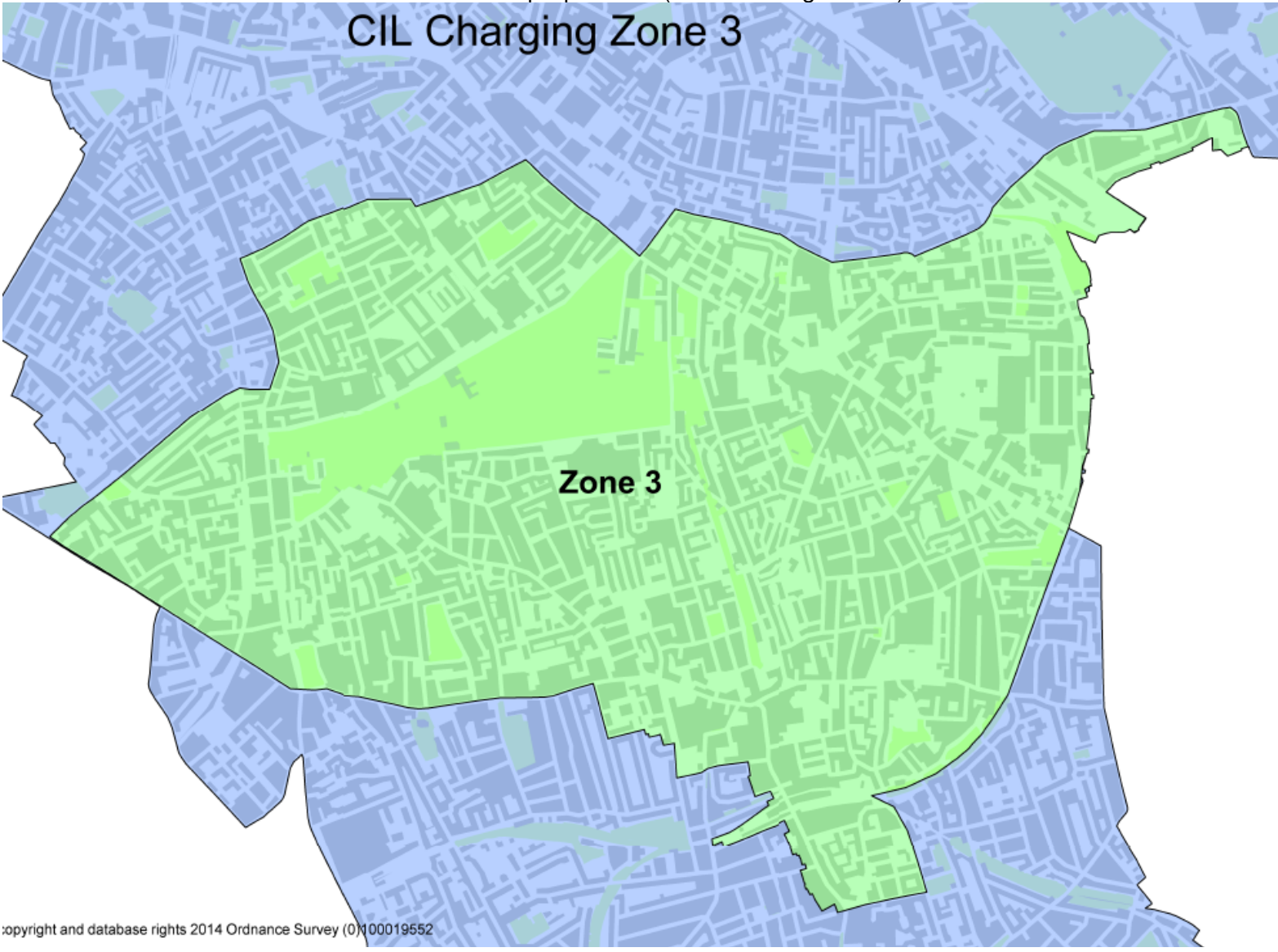


CIL Charging Zone 1 and 2



CIL Zones Map April 2015 (inset showing Zone 3)

CIL Charging Zone 3



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Appendix C: Regulation 123 List

No.	Title
Appendix A	Examiner's Report on the Southwark CIL Revised Draft Charging Schedule (RDCCS)
Appendix B	Southwark Community Infrastructure Charging Schedule
Appendix C	Regulation 123 List
Appendix D	Southwark CIL Infrastructure Plan (available on the website)
Appendix E	Southwark CIL Updated equalities Analysis (available on the website)
Appendix F	Southwark CIL Consultation Report (available on the website)

March 2015

CIL Regulation 123¹ list

Education:

Existing primary school expansion (not land), except for Alfred Salter, Redriff and Rotherhithe primary schools

Secondary school provision /expansion (not land), except for Bacon's College secondary school

Health:

All with the exception of sites where there is a planning requirement to provide a health use, including a new facility to serve the Canada Water core area

Libraries:

All with the exception of sites where there is a planning requirement to provide a library.

Open Space:

Improvements to District Parks (Burgess Park, Dulwich Park, Peckham Rye, and Southwark Park)

Other:

Cemeteries (not including land)

Modernised adult care facilities

Storm water storage areas: Camberwell, Dulwich, Peckham Rye and North Peckham

Sports:

New leisure centre in Canada Water town centre (not including land)

Transport:

Bakerloo line southern extension (not including land)

Camberwell Station (not including land)

Camberwell town centre improvements to pedestrian crossings, signals and pavements

Cycle routes and parking (not including on-site cycle infrastructure and development specific signage)

Elephant and Castle northern roundabout pedestrian and cycle improvements

Elephant & Castle underground stations (not including land)

New cycle and pedestrian Thames crossing at Rotherhithe

Peckham Rye station

¹ Refers to Regulation 123 of the Community Infrastructure Regulations 2010 (as amended)

Item No. 6.2	Classification: Open	Date: 25 March 2015	Meeting Name: Council Assembly
Report title:		Capital Strategy and Capital Programme Refresh for 2014/15-2023/24	
Ward(s) or groups affected:		All	
From:		Cabinet	

RECOMMENDATIONS

That council assembly:

1. Agree the recommendations of the 10 February 2015 cabinet for a refreshed general fund capital programme for the period 2014/15 to 2023/24 of £585.6million, as detailed in the cabinet report attached as Appendix 1.
2. Agree the recommendations of the 10 February 2015 cabinet for the housing investment programme (HIP) for the period 2014/15 to 2021/22 of £1,538.4million as detailed in the cabinet report attached as Appendix 1.
3. Note the attached Southwark Council capital programme 2014/15 to 2023/24 which outlines the key achievements of the capital programme since 2011 and the council's capital investment plans for the next ten years attached as Appendix 2.

BACKGROUND INFORMATION

4. The council established a ten year programme in 2006 for capital investment within the remit of the medium term resource strategy in line with local priorities and the council plan. The council's constitution requires council assembly to agree the capital strategy and programme at least once every four years, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders.
5. On 6 July 2011, council assembly agreed a refreshed 10 year general fund capital programme 2011-2021 to the value of £351million. At that meeting, council assembly also agreed the housing investment programme 2011-2016 to the value of £451.8million. Since then, cabinet has approved the refresh of the capital programme on a regular basis through quarterly capital monitoring reports to ensure it is fully updated and aligns with the council's key priorities.
6. The total capital expenditure incurred since 2011/12 including the current forecast spend for 2014/15 is £488.8million and £434.2million for the general fund and housing investment programme respectively.
7. The council plan confirmed ten Fairer Future promises, a set of key commitments to the residents and businesses of Southwark that outline the things that the council will be working towards as an organisation to create a fairer future for all. The updated promises were approved by cabinet on 2 July 2014.
8. This report highlights the key changes and achievements within the capital programme in meeting the council's 10 Fairer Future promises since the capital programme was

last agreed by council assembly and the council's capital investment plans for the next ten years, attached as Appendix 2.

9. On 10 February 2015, cabinet agreed a report on the council's Capital Programme 2014/15-2023/24 and a copy of the report with details of the capital programme by departments is attached as Appendix 1.
10. The 2014/15-2016/17 medium term resource strategy (MTRS) was approved by cabinet (10 February 2015) and council assembly (25 February 2015) and contains a section on the council's capital strategy against which this capital programme is based.

KEY ISSUES FOR CONSIDERATION

Capital programme – general fund and housing investment programme

11. Full details of the general fund capital programme for the period 2014/15 to 2023/24 and the housing investment programme for the period 2014/15 to 2021/22 are provided on Appendix 1.

Key achievements and capital investment plans

12. The key achievements of the capital programme since 2011 and the council's capital investment plans for the next ten years are provided on Appendix 2.

Capital strategy

13. The proposed capital programme has been based on the updated medium term resources strategy (MTRS) approved by cabinet (10 February 2015) and council assembly (25 February 2015). The MTRS provides a framework of underlying principles by which resources are managed and allocated across the council. Each key resource is managed centrally within the council and has a specific strategy in place. The financial management and control strategy sets out the financial principles of the council and the remit within which it plans its business. The strategy is set in the context of a number of key themes, each structured to support all major policy objectives and priorities as set out in the council plan. The council's capital strategy (capital programming and strategic projects) is included in the financial management and control strategy within the overall MTRS.

Community impact statement

10. The community impact statement is set out in the report at Appendix 1.

Consultation

11. Consultation on the overall programme has not taken place. However, each of the individual projects are subject to such consultation as is required or desirable when drawing up the schemes. Some of these will be more extensive than others, for example projects with an impact on the public realm. Some projects, such as those funded by grant or s106 may require consultation with those providing funding.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

14. Under the constitution the council assembly must agree the capital strategy and

programme at least once every four years, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders.

15. The capital programme 2014/15 to 2023/24 satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.
16. Section 106 funding while being a capital receipt can only be used for specific purposes detailed in the legal agreement.
17. By agreeing the recommendations in the report the council assembly will demonstrate that it has made adequate arrangement for the proper administration of the council financial affairs.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
See Appendices		

APPENDICES

No.	Title
Appendix 1	Cabinet Report and Appendices (10 February 2015) - Quarter 3 Capital Monitoring for 2014/15 and Capital Programme Refresh for 2014/15-2023/24
Appendix 2	Southwark Council Capital Programme 2014/15 to 2023/24 - To Follow

AUDIT TRAIL

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	12 March 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director for Finance and Corporate Services.	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	12 March 2015	

APPENDIX 1

Item No. 11.	Classification: Open	Date: 10 February 2015	Meeting Name: Cabinet
Report title:		Quarter 3 Capital Monitoring for 2014/15 and Capital Programme Refresh for 2014/15-2023/24	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Fiona Colley, Finance, Strategy and Performance	

FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, STRATEGY AND PERFORMANCE

This quarter's capital monitor provides, as usual, an update and progress report on the delivery of our £2 billion 10 year capital programme. Within the report you will find an update from each department covering their projects.

This quarter we are also making a number of variations to the programme and I'd like to highlight two of these.

The largest value variation is to approve £54m of expenditure to deliver phase 1b of our direct delivery council house building programme which will deliver 191 new council homes. This expenditure will be funded by a combination of s106 affordable housing funding, GLA grant and right to buy receipts.

Another important change is to approve an additional £15.8m for the primary expansion programme bringing the total value of this programme to £106.5m reflecting the additional expansions now planned. This programme is delivering new and expanded schools with high quality facilities providing 2,631 additional primary places across the borough by September 2016.

RECOMMENDATIONS

That cabinet:

1. Notes the general fund capital programme for the period 2014/15 to 2023/24 as at Quarter 3 2014/15, as detailed in Appendix A and D.
2. Notes the housing investment programme for the period 2014/15 to 2021/22 as at Quarter 3 2014/15, as detailed in Appendix B.
3. Approve the variation to the housing investment programme of £63.1m including £54m for Housing Direct Delivery Programme, details of which are reflected in the departmental narratives and Appendix C.
4. Approve the variation to the general fund capital programme of £75.9m, including £44.4m for children's services and £21m for the acquisition of properties in order to progress regeneration projects. Details are reflected in the

departmental narratives and Appendix C.

5. Approve the virements and variations (including those mentioned in recommendations 3 & 4) to the general fund and housing investment capital programme as detailed in Appendix C.
6. Approve the re-profiling of the budgets in line with projected expenditure for 2014/15 and future years for both the general fund and housing investment programmes as detailed in Appendix A, B and D and note the resources available for the capital programme based on latest information available at Quarter 3 2014/15.
7. Notes the use of New Home Bonus (NHB) in funding the capital programme as previously agreed by cabinet on 21 June 2011 has now been committed to the revenue budgets as per the Policy and Resources Strategy 2015/16 to 2017/18 Revenue Budget report of 27 January 2015 and this resource will not be available in the following years to fund capital expenditure.

BACKGROUND INFORMATION

8. The scale of the capital programme being managed within the council is immense and with a total forecast spend of over £2 billion the capital programme represents a major element of the council's financial activities. It has a significant and very visible impact on the borough and hence on the lives of those who live, learn, visit and or do business in the borough.
9. The quarter 2 2014/15 capital monitor report indicated that expenditure of £22.5m had been incurred on the general fund capital programme against a budget of £83.1m. This represented a spend of 27.1% to budget as at quarter 2 and a favourable variance of £12.9m was projected against the budget for the year at that point.
10. The quarter 2 2014/15 capital monitor report also reflected a spend of £50.9m on the Housing Investment Capital programme against a budget of £213.2m which represented a spend 23.8% against the budget for the year.
11. 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.
12. The capital programme is subject to on-going review by service managers and the quarter 2 2014/15 capital monitor report to cabinet approved budgets to be re-profiled in line with the projections for 2014/15 and future years. The report also noted that a further detailed re-profiling of budgets will be undertaken at quarter 3 2014/15 based on latest information.
13. This report sets out the latest re-profiled budget and forecast outturn position for 2014/15 for the General Fund and the Housing Investment Programme (HIP).

KEY ISSUES FOR CONSIDERATION

General Fund Capital Spend

14. The quarter 3 capital monitor report indicates that expenditure of £41.3m incurred at quarter 3 against a re-profiled budget of £82m for 2014/15 showing a spend of 50.3% to budget on the general fund capital programme. The summary position and the programme details by departments are reflected in Appendices A and D respectively.

Housing Investment Programme Spend

15. The total re-profiled budgets on the Housing Investment Programme for 2014/15 is £176.9m and the expenditure incurred at quarter 3 is £90.7m, indicating a spend of 51.2% to budget. The majority of the expenditure on the Housing Investment Programme relates to the numerous works on the Warm, Dry and Safe programmes which is forecast to spend £90m in 2014/15. Details of the schemes and budgets within the Housing Investment Programme are reflected in Appendix B.

Resource implications

16. The council's capital resources 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.
17. 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 will be based on the final actual expenditure, and will seek to maximise the use of grants and other funding sources, prior to the use of capital receipts. Regular monitoring and formal reporting regulates the programme and mitigates cash flow and funding risks and officers undertake regular reviews as part of the process for preparing quarterly monitors to assess income to date, forecasts and changes.
18. Each department forecasts its programme as accurately as possible to minimise the need for re-profiling. Where this does occur, the requirement is flagged as early as possible and budgets re-profiled in line with anticipated spend. Given the general complexity of capital projects, it is common to see some variation in the profile of the actual programme against the forecast. The impact of this is mitigated through regular formal monitoring, departmental reviews and access to a resource base wide enough to cope with change.
19. In developing and managing its capital programme the council has to maintain clear control on the selection and use of resources to finance capital expenditure. Strategies for investments, borrowing and treasury management facilitate this control and assist the council to have clear strategic direction on its use of resources, to identify new resources or to make changes to the use of resources at an organisational level as projects complete or new projects

appear.

Section 106 and Community Infrastructure Levy

20. The 2014/15 quarter 1 report to cabinet explained Section 106 (S106) agreements, otherwise known as planning obligations, and the Community Infrastructure Levy (CIL) as two of the sources for funding the capital programme.
21. A draft charging schedule was published in April 2013 for the CIL, followed by consultation. The council is working towards April 2015 adoption date for its own CIL. The capital programme will be subject to future refresh and pending finalisation of the charging schedule for CIL this may be used to support appropriate schemes.

New Homes Bonus

22. The 2014/15 quarter 1 report explained the use of New Home Bonus (NHB) in funding the council's capital programme. The cabinet decision of 21 June 2011 agreed that all NHB not committed to the revenue budget should be allocated to corporate resources to fund future capital expenditure.
23. However, the council's budget setting process for 2014/15 and the recent Policy and Resources Strategy 2015/16 to 2017/18 Revenue Budget report of 27 January 2015 committed the full NHB amounts to revenue and this resource will not be available in the following years to fund capital expenditure. The resulting impact on the capital programme will be reflected in the capital monitoring reports.

Contributions from Earmarked Reserves

24. The quarter 1 report explained the use of the three reserves which have relevance for funding the capital programme and these 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

25. 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.
26. 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.

Capital Grants

27. The council uses of a range of grants to fund capital expenditure and the grants tend to be programme or project specific with each grant having some form of conditions.
28. Grants may be provided as a sole funding source, or as one of several funding sources depending on project requirements. In each case, funding conditions are met to demonstrate that grants have been applied for the purposes given and audit trails are maintained.

Resourcing to Quarter 3 2014/15

29. As at quarter 3 2014/15, capital receipts of £37m and £25m had been received from the general fund and housing receipts respectively for the financial year 2014/15.
30. At the end of quarter 3 2014/15, £43.8m other income had been received including £7.8m of education related grants and £25.7m secured through S106 agreements.
31. The above resources will be monitored and applied as appropriate to schemes in 2014/15.

Programme position at Quarter 3 2014/15

32. Attached at Appendix A is a summary of the general fund programme position as at quarter 3 of 2014/15. This shows a total expenditure budget of £585.6m budgeted over the programme from 2014/15 to 2023/24.
33. Attached at Appendix B is a summary of the housing investment programme position as at quarter 3 of 2014/15. This shows a total expenditure budget of £1,538.4m over the programme from 2014/15 to 2021/22.
34. Appendix C shows the budget virements and variations arising in quarter 3 of 2014/15 for approval by cabinet.
35. Appendix D shows a more detailed view of the general fund programme on individual projects or groups of projects over the period 2014/15 to 2023/24.
36. 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

37. The sections below provide commentary on the budget position by departments for 2014/15.

GENERAL FUND (APPENDIX A)

Children's and Adult Services

38. In summary, the capital programme across Children's and Adults' Services in quarter 2 was £109.9m, with an annual 2014/15 revised budget of £17.4m. Budget variations of £44.4m are requested at quarter 3 for formal approval by cabinet. The variations are mainly due to the £15.8m expected shortfall on the council's primary expansion programme; £12.6m secured funding and £16m expected funding. Budget variations arising from secured funding are mainly from DfE basic need grant for school places of £5.7m and £6m for 2015/16 and 2016/17 respectively. Also further funding of £16m expected of £5m DfE maintenance grants, £5m free school grants and £6m S106 contributions. The revised budgets for the Children's and Adults' services total capital programme including the above budget variation of £44.4m is now £154.3m. The expenditure incurred this year to date is £11.2m against an in-year forecast of £17.7m.
39. Additional school places and increased scope for works as agreed by cabinet in July 2014 along with detailed site plans and construction inflation has resulted in a programme shortfall of £15.8m mentioned above. As mentioned above, the council is expecting £16m in the next 2 years towards the overall expenditure and is currently exploring all funding options towards the overall costs of the programme. The council is currently negotiating a contribution from the Education Funding Agency (EFA) for additional primary places at The Belham free school, and from academies for expansion at other non-maintained schools. DfE maintenance grant for 2015/16 onwards has not been announced and the £16m includes an allowance at the lower end of expectations. CIL/s106 is available now, subject to planning committee approval. Future CIL/s106 receipts will reduce the need for the use of corporate resources and will be kept under review.

Children's Services

40. The revised capital programme budget for the period 2014/15 to 2023/24 is now £134.4m with a budget of £17.1m for 2014/15.
41. The changes to the estimated programme from July 2013 include the cabinet approved changes in July 2014 additional primary school expansions to meet the projected continued need for additional places. Following a review of school place demand and detailed scheme development, the Gloucester expansion scheme has been cancelled and the expansion of Phoenix School from 2FE to 4FE added to the programme. Further improvements are envisaged for Gloucester in 2016/17, following a development of the site and this will be subject to a separate process and further consultation. The original cost estimates were drawn up from the condition and capacity surveys undertaken throughout the council's school estate in 2012. The current designs between RIBA stage B/C and stage D designs are site specific incorporating educational design advice and stakeholder consultation.
42. There has been a detailed process of scheme development, with a rigorous

approach to budget management, whilst at the same time ensuring that the objectives of the schemes are met. These are to both add school places to meet basic need and to take the opportunity to address deficiencies in accommodation, especially where these improvements will benefit the environment for teaching and learning. All the primary expansion schemes are in the procurement phase and are subject to detailed scheme development. The contractors are expected to produce schemes to the agreed budgets.

43. The expenditure at quarter 3 is £11.1m. The main areas of expenditure are for the September 2014 temporary expansions, rebuild of Southwark Park Primary and permanent expansion at Bessemer Grange and Dulwich Wood, various maintenance projects.

Adults' Services

44. The revised capital programme for 2014/15 to 2023/24 is £19.9m with a budget of £600k for 2014/15.
45. To date £100k has been incurred and the forecast for the year is £600k. The main areas of capital investment during this financial year include major refurbishment of Alma Grove, Bowley Close and Grosvenor Terrace properties.

Southwark Schools for the Future

46. The revised programme is £43.3m, following the budget realignment process across the services. The revised annual budget for 2014/15 is £5.0m and the forecast expenditure of the programme delivery for 2014/15 is £5.0m.
47. Expenditure of £4.1m has been incurred at quarter 3 and these include expenditure on the St Michael's and All Angels/Highshore (SMAAH) new school and the University Engineering Academy South Bank (UEASB). In 2014/15, the main areas of change are SMAAH with a lease payment for Highshore expected in 2015/16 and Southwark Inclusive Learning Service (SILS) KS3/4 now reprogrammed for 2015/16. The refurbishment of the new UEASB opened in September 2014.

Finance and Corporate Services

48. The capital programme of this department focuses on two key areas: information technology infrastructure projects and premises improvements to council buildings.
49. The department has a revised capital programme of £63.2m as at quarter 3 2014/15. The revised budget for 2014/15 is £8.5m with expenditure of £6.5m recorded at the end of quarter 3.
50. The council is currently delivering a number of projects to modernise the provision of IT services. Resources to fund this investment have been consolidated into a single IT investment scheme, drawn from previously approved resources set aside for IT planned maintenance, core enabling and infrastructure. In addition to consolidating and re-profiling these resources, the extent of the investment required has been reviewed and it is recognised that additional investment of £5m is required to the programme, averaging £500k per annum up to 2023/24..This budget variation is reflected in Appendix C for

cabinet approval and the re-profiled budgets for the years is shown in Appendix D.

51. The project to implement Corelogic which is an electronic social care system replacing CareFirst commenced in 2014/15 and spend is expected to be just under £1m at £977k.
52. The capital programme for corporate facilities management (CFM) includes an annual £2.75m budget for planned preventative maintenance together with a £10.25m total budget to address future facilities management capital requirements. These budgets reflect the anticipated cost of completing a comprehensive planned preventative maintenance and compliance programme for the assets and fabric of the operational estate. The forecast spend on planned preventative maintenance for 2014/15 is £700k. While this is significantly less than the initial profiled budget, this reflects the nature of the expenditure and the fact the plan will develop as decisions are taken on the estate in line with the accommodation and asset management strategies to preserve both its utility and asset value over a period of at least ten years. To support this process, a programme of new asset and condition data for the operational estate is near completion which will inform a fully developed 1 to 3 year programme starting in 2015/16 and provide an indicative programme for the remaining years. Therefore it is expected that the current budget profile will be updated as this more detailed programme is developed.
53. The council has largely completed its programme of work to its front line council buildings to ensure that they meet the requirements of the Disability Discrimination Act. This monitor seeks approval that the remaining resource for this programme be redirected within CFM to the property works programme, to support the on going completion of related remedial works and associated capital works as they arise across the operational estate and this is reflected in Appendix C for cabinet approval.
54. In March 2013, the Walworth Road Town Hall was substantially damaged by fire and since that time, work has been undertaken to secure, protect and prepare this historic listed building for the longer term aim of reinstatement and delivery of a new facility. Initially, costs for this stage were estimated at £2.7m and reported in the 2013/14 capital outturn report of which £1.7m was incurred in 2013/14. The total costs to complete this work are currently estimated at £4.1m, an increase of £1.4m. Budget variation of £800k was agreed at quarter 2 and the latest review of projected costs indicates an additional budget variation of £600k which is reflected in Appendix C for cabinet approval. While plans are developed for the longer term design and re-instatement of the building, the council is able to continue with certain works on site during this initial phase that will be incorporated into the design and reinstatement. The latest spend forecast for 2014/15 and 2015/16 is £1.4m and £1m respectively and budgets have been re-profiled in line with these projections.
55. The overall expenditure forecast for the department has been updated based on the latest information and this report requests budgets to be re-profiled into future years in line with projected spend.

Environment & Leisure

Summary

56. The total value of the departmental capital programme for the period 2014/15 to 2023/24 is £148.2m. 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 based on latest trend of spend. As a result, the projected spend for the year is estimated to be around £24m for 2014/15 and the budget has been re-profiled to reflect this position. However, the department seeks approval for capital bids of £1.5m and £1.1m for Southwark Park Development and Castle Leisure Centre respectively to be funded from corporate resources and these are detailed below within the departmental narratives. The revised budget including the above requested budget variation is now £150.8m.
57. The progress of major schemes and details of the bids are outlined below.

Public Realm – Council funded projects

58. The non principal road programme is on target to spend its full allocation for the year of £5.4m. However, the spend forecast for 2014/15 for Cleaner Greener Safer (CGS) projects has been revised downwards by £645k to £1.5m to reflect that expenditure on some LIP funded projects will not be delivered in the current year mainly due to staff turnover. There have also been fewer than expected claims made by 3rd parties for CGS grants. Any project underspends will be reallocated as part of 2015/16 programme.
59. The principal road lighting programme for 2014/15 of £549k is now nearing completion with over 400 lanterns replaced with energy efficient LEDs. Energy savings are in excess of 65% of previous load.
60. The new Cycling Strategy is on track to be adopted in March 2015. Therefore most of the expenditure on cycling infrastructure fund will not be incurred until 2015/16.
61. The implementation of the cemetery strategy continues to create further burial spaces and make associated infrastructure improvements. The cemetery burial strategy spend forecast has been reduced from £1.1m to £464k as a result of longer than planned community engagement on the new burial areas. The consultations will be completed by March 2015 and works start in 2015/16. The works will also include refurbishment of the cemetery lodges and replacement of cremators.
62. The spend in 2014/15 for the Parks Infrastructure & Investment Programme and the Burgess Park Revitalisation Project are largely on track, with the delivery of a new BBQ area and first phase of the consultation of the refreshed master plan for the park completed. Work is on going to re-profile the spend for Burgess Park across the lifetime of the programme based on latest estimates.
63. Southwark Park – Plans have been developed with the Friends to deliver the community aspirations for the central area of Southwark Park and will be ready for consultation in the 4th quarter. The purpose of this development will be to

bring an underused area of land back into the park and to create fit for purpose facilities in the centre of the park. The cost of work is currently estimated at £2m and it is proposed to fund £500k of this from the existing Parks 'Infrastructure and Investment' funding stream and a capital bid is submitted for the remaining £1.5m as part of the refresh of the capital programme.

64. In other parks urgent health and safety works relating to structures and lighting have been completed and as a result, the forecast spend is higher than budget and this is being managed through re-profiling.
65. The refurbishment of South Dock Marina toilets and showers was completed during this quarter. It is proposed that the £12k additional costs incurred for the disposal of the original toilet block be covered by other South Dock Marina capital budgets. Appendix C reflects this request for a virement.

Public Realm – Externally funded projects

66. Pothole Repair Fund – The council was successful in securing £260k from the Pothole Fund created by the central government to repair damage to the local road network. In accordance with the government criteria, the funding has been allocated to the resurfacing of twelve roads within the Borough. The programmed works complement the capital funded Non Principal Road resurfacing programme and will be completed by March 2015.
67. The Dulwich and Herne Hill Flood Alleviation Scheme will be completed in February 2015. It aims to protect over 200 properties from surface water flooding and another 80 from sewer flooding. It is a partnership scheme led by Southwark Council in collaboration with Thames Water Utilities Ltd (TWUL) and supported by the Environment Agency (EA). The scheme's capital cost is £3.2m with the EA contributing £1.2m while TWUL is contributing £2m. In addition EA will provide £300k to the council as a commuted sum, which will be set aside for the future maintenance of the infrastructure.

Culture, Libraries, Learning & Leisure

68. Legacy Investment Fund Phase 2 – Out of the £1.5m allocation, funding for the following projects was approved by the cabinet member for Public Health, Parks and Leisure in November 2014:

	£000
Southwark Sports Ground (SSG)	150
Homestall Road Sports Ground	650
Peckham Rye changing rooms	250
Sub total - Projects within the department	1,050
St Paul's Sports ground	100
Herne Hill Velodrome	250

Active Spectators	50
Total allocated	1,450

69. Appendix C of this report requests approval to vire £1,050k of the Fund's budget to reflect this allocation. £50k of the legacy fund is as yet unallocated and has been identified as contingency with the possibility of allocating to projects at a later date.
70. The £500k refurbishment of Peckham Library will commence in 2015/16 and will include works to the lifts and roof.
71. Work to bring Southwark Athletics Centre back into use has commenced following selection of a contractor in October 2014. The budgets have been re-profiled to reflect the phased implementation of the project.
72. A phased approach is being taken to investing £2.3m in Peckham Pulse. A new boiler and new air conditioning systems for the gym were installed in June 2014. 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 2015/16.
73. The Castle Leisure Centre external structure and fabric are almost complete and the contractor is now concentrating on internal fabrics and finishes. A growth bid of £1.1m is submitted as part of capital refresh to fund the fit out of the centre. This will cover the cost of purchasing new fitness and other equipment.
74. Seven Islands pool pipe and filter valves replacement works will be completed by end of March 2015 along with other smaller works with a total cost of £300k. Phase two of the capital investment (£1.7m) will take place in 2015/16 and will include disabled access to the upper floor. Project management for these works are currently being arranged.
75. Investment in self service technology is a key component of the libraries modernisation programme and installation of such equipment is essential in supporting the savings agreed in the libraries review. RFID (Radio Frequency Identification) has been implemented at Blue Anchor Library. Equipment for RFID for the new Camberwell library has been purchased in December. The temporary library at Elephant and Castle opened in September 2014 complete with RFID.
76. The Thomas Calton Centre refurbishment of £550k has been delayed due to planning application issues. The project team has now been assembled and work will commence during winter 2014/15. The work is to address longstanding issues to the roof and fabric of the building.

Community Safety & Enforcement

77. The Housing CCTV refresh programme covered CCTV systems on 19 housing estates that fell within the priority crime areas identified by crime analysis data prepared in August 2012. The installations have been completed and the unit has undertaken a formal programme of Testing and Certification effectively bringing this phase to a close. The programme was delivered on budget.

Housing Renewal

78. The area renewal programme is now reaching its end with the only outstanding project being the home security initiative which is now underway. The Brayards Road Improvement Zone group repair scheme is in progress and will focus on works to a maximum of 81 street properties of mixed tenures. The project consultants have been appointed and the repair works element of the project went out to tender with contractors with a closing date in January 2015. The works are expected to start on site in March 2015 with completion in middle of 2015/16 (works are expected to last 20 weeks). The funding is from an amalgamation of residual renewal area budgets. Therefore, a virement is requested to move the residual budgets to a code specifically set up for Brayards. Appendix C sets out this virement and also uses this opportunity to amalgamate all grants and loans into one scheme.

Environmental Services

79. In respect of the Integrated Waste Solutions Programme, there remains a provision of £2m. £1.5m of this is a contingency fund, needed in case TfL request road infrastructure improvement works due to an increase in traffic resulting from the new waste facility just off Old Kent Road (Red Route). They have this ability as part of the planning conditions placed on the development. As it is now over two years since the facility became operational, the demand is unlikely to materialise but TfL has until end of 2019 to call upon Southwark to carry out improvement works depending when the road survey is carried out. This provision has been re-profiled and moved to 2016/17 to reflect the earliest year if any expenditure will take place.
80. The remaining £500k budget is earmarked for development of the Devonshire Road site (part of the Waste Facility development), to build a permanent home for Fleet services and a new, fit-for-purpose salt store for winter maintenance, releasing Latona Road for housing development. This is expected to take place during 2015/16.
81. The installation of a photovoltaic array on the roof of the Old Kent Road integrated waste facility is in progress and is expected to be completed by February 2015. The array is expected to produce a projected 659,000 kWh per year, initially generating £87k per year for the Council through Government subsidies and recharging Veolia for the electricity they use. This will rise to £161k later in the lifetime of the array. It will also contribute projected carbon savings of 346 tCO₂ per annum.
82. From the 2014/15 carbon reduction investment allocation, a programme is currently underway to identify and complete pipework insulation improvements at various sites across the operational estate. The projected cost for this programme is £40k to £50k. The remainder of the allocation will be used to maximise the potential of the Old Kent Road PV array by expanding the number of solar panels being installed.

Chief Executive's Department

83. The capital budget for the department over the period 2014/15 to 2023/24 is £170.4m of which £63m relates to the S106 and Community Infrastructure levy

(CIL) budgets to deliver strategic transport improvements projects in Elephant and Castle as part of the wider regeneration of the area. Budget variation of £21m and £1.025m are also included in this report for cabinet approval and the details are provided below.

Regeneration projects

84. The council maintains an extensive property portfolio for service delivery and investment purposes, and as priorities change the portfolio needs to respond accordingly. Direct delivery of new housing is a good example of a changing approach to service delivery. Opportunities arise from time to time to acquire properties to enhance the existing portfolio. An example of such a situation is when an adjoining property in the council's ownership comes to the market and merging the two properties creates a more valuable asset than the separate ownerships. Budget variation of £1m was agreed by cabinet at quarter 2 2014/15 but a budget of £4m for 2014/15 and an annual budget provision of £2m for following years up to 2023/24 is required in order to progress the regeneration projects into future years. Therefore a budget variation of £21m is included in Appendix C for approval by cabinet.

Nunhead Community Centre

85. The original budget for Nunhead Community Centre was agreed in 2010 and the project has evolved over the three years in reaction to local community input and aspirations for the community centre and linking the remaining site B opposite, to provide direct delivery council housing. Over this period there has been significant build cost inflation caused by an increase in construction and a shortage of skills and materials. The increase in build costs however should be considered in the context of rising house prices and consequently land values. The remainder of the site was successfully sold in December 2014 for more than the budgeted costs and the receipts will also include contributions towards S106 and Mayoral CIL funds. The sale is due immediately following completion of the community centre.

Strategic Transport Improvements

86. The council is committed to the strategic transport improvements projects in the Elephant and Castle to unlock and support the regeneration of the area including the provision of over 4,000 new homes and new fit for purpose underground station. The provision of improved public transport and public realm is an integral part of the regeneration of the area and is an objective that the council has supported for many years.

Departmental Summary and Updates on Programmes

87. In 2014/15, the department is currently forecasting an expenditure of £24.6m, a downward movement from quarter 2 forecast. The reduction in forecast follows a rigorous and robust review of planned expenditure in line with recent changes in project delivery plans. This review is on-going to ensure forecast is as accurate, robust and close to outturn position as possible.
88. Performance in 2014/15 has seen expenditure of £6.5m incurred at the end of quarter 3. Work is continuing on the delivery of key regeneration projects such as Revitalize Camberwell, Gateway to Peckham, the construction of new

Nunhead Community Centre and The Castle Centre (formerly Elephant & Castle Leisure Centre) amongst other projects

89. The council's investment in Camberwell is well underway with the construction of a new Library and Plaza. The new building is water tight, with all external windows in place and green roof completed. The heating is installed and other internal works such as electrical installations are progressing. Works to the Plaza started in December and includes resurfacing, soft landscaping and an improved lighting scheme. The new Camberwell Library is scheduled to open to the public in spring 2015.
90. The next project to be delivered within the Revitalise5 is the improvements to Camberwell Green. It is expected that the scheme will achieve permission early in the year and work is expected to start in summer 2015.
91. The Planning Projects team is working to progress a range of projects across the borough and is making arrangements with various council departments for project delivery across a range of S106 and capital bid programmes.
92. The team has completed assessments for the Love Shopping capital programme (former ILRE) for a number of key shopping areas and high streets on the boundaries of the council's regeneration areas. A report is currently being prepared to make recommendations as to which areas should be prioritised for investment during 2015/16.
93. Planning Projects led on behalf of the council a bid to the Mayors High Street Fund worth £740k which will pull together and complement existing council programmes for Walworth Road, Shop Front Programmes, East Street and also commence a public realm strategy for Old Kent Road opportunity area. A response is expected from the GLA in the coming months.
94. The team has completed a number of projects on site in the previous quarter including Winchester Palace Gardens; Queens Road shop front works and Quentin House environmental works. A number of projects are being progressed with a view to going on site in the coming months. These include Fair Street Sunken Garden, Brayards Road Improvements, Queens Road environmental improvements and support for both Abbey Street Centre and the Dockland Settlement.
95. The delivery of the TfL funded transport programme (LIP) and related projects is behind schedule, with a number of schemes still at the design and consultation stage. This is primarily due to pressure on resources in the Public Realm team resulting from an increased workload, in particular as a result of additional projects associated with the Mayor's Vision for Cycling. A review of the LIP programme has been carried out to identify delivery risks and, as far as possible, these will be mitigated by compressing the delivery programme and amending project scope as necessary.
96. The Camberwell Town Centre streets project, largely funded by TfL under Major Schemes programme, is progressing. This project is still at feasibility stage following TfL's decision to require a revised traffic model before approving the scheme. The new modelling work will take place in quarter 4 with detailed design to follow in 2015/16. Meanwhile the first of the Pocket Spaces projects around the town centre will be implemented at Datchelor Place, starting towards the end

of quarter 4 with completion in quarter 1 of 2015/16.

97. The Chief Executive's department continues to deliver various projects aimed at improving road safety, encouraging greener and sustainable modes of transport in the borough as well as supporting commercial viability of local shopping areas. An update on these will be provided in subsequent monitoring reports to cabinet.

Housing General Fund

98. The total budget for the Housing General Fund for the period 2014/15 to 2015/16 is £3.4m and the latest spend for 2014/15 is £1.9m.
99. Springtide Close traveller site is the last of Southwark's four managed traveller sites to be refurbished with the help of the CLG's 2004 Gypsy and Traveller site grant funding. The final phase of the scheme is on site and is due to be complete in the next couple of months. This scheme was slightly delayed by issues on the site which are now resolved.
100. Ilderton Road travellers' site is awaiting the outcome of lengthy negotiations between Southwark Legal Services and Network Rail over responsibility for the repairs required to make the embankment wall safe. It is likely that responsibility will be shared, certainly in terms of costs. This has serious health and safety implications and budgets have been retained for the expected expenditure.
101. There is an Affordable Housing Fund agreement with Guinness Partnership for the development at the Elephant known as Stead Street. The funding of this particular scheme is part of a long-term commitment in the Elephant & Castle area and 84 units on the scheme will be affordable housing units of which 18 will be directly financed by Southwark's Affordable Housing Fund (AHF) and will be available at social rent, with Southwark having 100% nomination rights to the initial lets. The £2.6m from the Affordable Housing Fund is financed from developers' contributions from other developments and the donor schemes are located in the Borough, Bankside and Walworth Community Council area. The scheme has been delayed but has now started on site, with practical completion now expected (in terms of the affordable housing units and release of the second tranche of S.106 funding) in May 2016. This is later than initially anticipated in the AFH funding agreement Guinness signed with Southwark.

Housing Investment Programme (APPENDIX B)

Budget Summary and 2014/15 Forecast

102. The total budget of the Housing Investment Programme for the period 2014/15 to 2023/24 has increased by £63.1M to a revised value of £1,538.4m.
103. The increase in budgets is mainly due to the capital expenditure agreed by the Housing Investment Board and works at Elephant and Castle area. Other budget increases, amongst others, include the grant awarded by the GLA towards the works carried out at Willow Walk as part of the council's Direct Delivery Housing schemes and expenditure approved by Planning Committee towards the Hidden Homes programme at Tapley, Nickleby & Dombey House.
104. Details of all budget variation and virements are reflected in appendix C for approval by cabinet.

105. The total projected spend for 2014/15 is £176.9m and budgets have been re-profiled for 2014/15 and future years in line with these projections.
106. The section below provides a detailed commentary on the major areas of activity across the various capital projects within the Housing Investment Programme.

HRA: Warm Dry and Safe (WDS)

107. An increased spend target of £90m has been set for 2014/15. As with previous years, spend in quarter 3 is steady and is expected to continue to accelerate through the year to meet the spend target. Spend to quarter 3 is over £53m. Accurate long term forecasting has proved challenging as the extent of works required to meet the WDS standard is generally higher than the provision originally made in the programme. Total WDS spend across the years for the programme is over £237m at quarter 3 against a current budget of £383m.
108. The 2 year programme is now complete. A total original provision of £76m was made for the two year programme, carry over schemes and the original Fire Risk Assessment (FRA) works within the original WDS budget. The final outturn expected to be around £83m for delivering these schemes (though additional FRA works have been undertaken).
109. All the WDS 2012 major works schemes are completed or on site. The agreed costs for the schemes are higher than estimated in the stock condition survey and the WDS contingency fund has been used to meet the budget shortfall. £41.4m has so far been committed against an original WDS allocation of £14.5m for these schemes.
110. Eight of the WDS 2013 major works schemes are committed. The remaining schemes to be committed are Tustin (due to the works required), Aylesbury Phase 2 (following phase 1), a package of street properties and Acorn (following regeneration works). £30.1m has so far been committed against an original WDS allocation of £14.0m for the committed schemes.
111. Some WDS 2014 major works schemes works were brought forward using the Decent Homes Backlog funding. Currently £59.8m has been committed against an original overall WDS allocation of £37.6m for all the WDS 2014. The remaining WDS 2014 major works schemes are expected to be committed in 2014/15 or early 2015/16 along with WDS 2015 programme. There are a few exceptions such as D'Eynsford where external works will be delayed pending heating works.
112. The trend of schemes requiring more resources than the stock condition survey estimate has continued, meaning that in quarter 4, all the WDS budget will be effectively committed with further resources required to complete the remaining programme.
113. Following the council plan to deliver a kitchens and bathroom programme, resources will need to be assessed following the Savills report later in quarter 4.
114. There are a number of potential funding streams that can contribute to or reduce the commitment for extra resources for this programme including 'risk pots' in committed projects not being utilised, under spends on projects and

programmed works being assessed as not requiring works following detailed surveys. Following a bid to the GLA for Decent Homes Backlog Funding in 2015/16, the GLA has awarded Southwark £53m funding subject to council delivering the programme and meeting the terms of the bid.

115. A capital bid to complete the remaining WDS programme is expected to be submitted in quarter 1 of 2015/16 for approval.
116. Both the Four Squares and Hawkstone WDS/HINE schemes have started on site, with the internals completing at Four Squares. The main Abbeyfield scheme (Maydew) is now due to start on site in 2015/16. The HINE allocation for Four Squares was increased to £28.7m following structural issues and the scope of works required to complete the scheme.
117. All the remaining WDS district heating schemes programmed up to 2013/14 are now on site. The majority of programmed 2015/16 WDS district heating schemes are being brought forward to start in 2014/15. The on-going individual and plant boiler programmes require an estimated £5.2m of additional resources to the end of 2015/16 due to the investment required due to the age of the boiler systems. This will form part of a capital bid in quarter 1 of 2015/16 for approval.
118. All high rise blocks with a substantial risk from the fire risk assessments have been completed as part of the FRA Programme. All the higher moderate risk high rise blocks are also complete except for works being completed to coincide the WDS programme. £2.3m has been allocated to complete substantial medium rise FRA works being completed in 2014/15 alongside planned WDS works. Sidmouth has also been added to the programme.
119. At the start of 2014/15 the decency level stood at 56.88%. The decency level at the end of quarter 3 was 60.45%.

Aylesbury PPM

120. Spend in quarter 3 is £2.4m with a further £0.2m spend is expected on the Aylesbury PPM budget in 2014/15.

East Dulwich Estate regeneration Programme

121. Drying Room Conversions - This consists of the conversion of 18 drying rooms in two phases for private sale. Phase 1 was completed in January with all 9 units created now sold. Phase 2 commenced in Feb 2014 and completed in August 2014 and 4 of the units are on the market. There is also an opportunity for convert a further 7 drying rooms. Feasibility studies for these are underway and further funding will be sought in quarter 4.
122. Badminton House - Refurbishment of an 11 unit block with a drying room conversion making a total of 12 units of which 3 will be for private sale and the remaining 9 for social rent. Works started in July 2014 and are due to complete in June 2015.
123. Environmental Works – The environmental works programme has been separated from the health and safety works that are currently underway on the estate. However, the health and safety works have taken up a much larger proportion of the budget than initially anticipated, so officers are working with

residents to scale back the environmental proposals but more funding may be required. A planning condition for the scheme was that officers undertake a parking survey to confirm the parking requirement on the estate. This survey has been completed and a report sent to planning to discharge the condition.

Elmington Estate Regeneration comprises of the following elements:

124. The refurbishment work Drayton House, Brisbane Street, Proctor House, Flatman House and Langland House have been completed.
125. The rehousing of tenants to achieve vacant possession for new build is still on track for Phase 3 with 3 tenants and 18 leaseholders remaining. The referencing exercise for the CPO is underway and it is expected that the order will be enforced by Summer 2015 if there are no objections.
126. Landscaping works are currently underway on the Benhill Road Nature Garden and is due to complete in February 2015.

Wooddene Regeneration Project

127. Diversion of pipework running across the Wooddene site was completed in December 2014.
128. Re-provision of a heat and hot water plant within the Wooddene energy centre to serve the Acorn Estate: Consultants have been appointed and contractor procurement is underway. Start on site is expected in July 2015 and works should complete by June 2016.

Elephant and Castle Regeneration project

129. Works are required for the demolition of the Castle Day centre and the construction of a new building on the site for the Crossways United Reformed Church. The existing Crossways Church is located on the Heygate estate which is to be developed by Lend Lease. Relocation of the church is therefore necessary in order to provide vacant possession of the Heygate estate and to ensure the council meets its contractual obligation under the terms of the Regeneration Agreement. The budget for this project was originally identified within the costs set aside for Heygate acquisitions and the budget variation shown in Appendix C for cabinet approval reflects the latest re-profiled costs for these works.
130. The council is expecting a payment of £16.5m from Lend Lease in the next few weeks for the reimbursement of costs incurred on the demolition of the Heygate estate. Furthermore, the council is also expecting additional receipts of approximately £50m from Lend Lease in the next few years for the Heygate site as part of the regeneration agreement, of which £5.6m becomes payable by the end of January 2015. These expected receipts have been incorporated within the Housing Investment Programme.

Direct Delivery Programme

131. Hidden Homes Refurbishment. 3 of the 11 Hidden Homes units on site last quarter were completed in October and are now occupied by tenants. The remaining eight situated on the Dickens Estate and Lindley Estate are on

schedule to complete before March 2015. This element of the Direct Delivery Programme is being funded through a mix of S106 funding of approximately £700k which has been approved at Planning Committee and GLA Building the Pipeline grant of £227,960.

132. New Build – Phase 1 of the Direct Delivery programme comprising of 9 sites is currently in various stages of development. It is split into 2 major areas of work “Phase 1A – Willow Walk” and “Phase 1B – Other Works”.
133. Phase 1A Willow Walk which will deliver 21 general needs housing and a 54 short stay accommodation unit, started on site in February 2014 with a scheduled completion date in early 2015. A budget increase of £1.2m is included in Appendix C for approval relating to the temporary accommodation element of the works which is being funded from the GLA grant “Building the Pipeline”.
134. Phase 1B – On 26 November 2014 the Housing Investment Board approved £54m to forward fund phase 1B of the Direct Delivery programme and this is reflected in Appendix C for cabinet approval. It expected that these works are to be funded from a mixture of resources that includes GLA grant (Building the Pipeline), S106 affordable housing funding, housing receipts and the reserved part of the Right To Buy (RTB) receipts set aside for new build.
135. Main construction works of phase 1B are scheduled to start at Long Lane, Masterman House, Clifton Estate, Gatebeck and Southdown on the East Dulwich Estate, Cator Street and Nunhead Green site B before March 2015. Initial works will start on the remaining site at Sumner Road in the new financial year.

Summary Position

136. The provisional estimated cost of phase 1A and 1B is £71m. To date a claim of approximately £1m has been submitted against the GLA grant of “Building the Pipeline” for payment. Further claims will be submitted once the additional schemes outlined above have started on site.

Risks on Council’s Development and Refurbishment Projects

137. The current capital programmes across all departments relating to development and refurbishment projects are subject to an emerging risk. This relates to the significant overheating of the construction market, particularly in London, in terms of main contractor services, subcontractor capacity and supply of materials. This is impacting directly on both time and cost for projects currently underway. While this is largely out of the councils control the impact on cost and time of current market conditions needs to be given full consideration in both the feasibility and development stages of emerging projects.

Resource Re-profiling

138. The budgets across the capital programme were re-profiled at quarter 2 2014/15 based on the information available at that time. 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. The capital programme has been subject to on-going review by service managers and the budgets have been re-profiled at quarter 3 based on

the latest information available on procurement and contract management issues. The current re-profiled budgets will be used to identify the variances on programme budgets against the 2014/15 outturn position.

Community impact statement

139. 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.
140. Each project within the capital programme will be considered with regard to its impact on age; disability; faith/religion; gender; race; ethnicity; sexual orientation; gender reassignment; marriage and civil partnership; pregnancy and maternity.
141. The council's capital programme is designed to deliver projects of value to local people.

Resource implications

142. This report forms part of the council's budget framework and outlines the current position on the capital programme.
143. 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

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

Financial implications

145. This report fully explores the financial implications of the capital programme for the general fund and the housing investment programme at quarter 3 of 2014/15. The report also presents an updated position on the refreshed capital programme over the period 2014/15 to 2023/24 on the predicted resources and expenditure across this period.

Consultation

146. 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

147. 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.
148. The capital programme satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Quarter 1 Capital Monitoring for 2014/15 and Capital Programme Refresh for 2014/15-2023/24	Southwark Council Finance and corporate services 160 Tooley Street London SE1 2QH	Jay Nair, Senior Finance Manager, Finance and Corporate Services
Quarter 2 Capital Monitoring for 2014/15 and Capital Programme Refresh for 2014/15-2023/24		
Link: http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&MId=4862&Ver=4		
Link: http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&MId=4864&Ver=4		

APPENDICES

No.	Title
Appendix A	General fund summary monitoring position
Appendix B	Housing investment programme summary monitoring position
Appendix C	Budget virements and variations at quarter 3 2014/15
Appendix D	General fund programme detail

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Strategy and Performance	
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	30 January 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director for Finance and Corporate Services.	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	30 January 2015	

General Fund Capital Monitoring Summary Position Qtr 3 2014/15

APPENDIX A

Department	2014/15				2015/16			2016/17+			Total Programme 2014/15-23/24		
	Budget	Spend to date	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance	Total Budget @ 01/04/2014	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adult Services	17,726	11,157	17,726	0	64,034	64,034	0	72,545	72,545	0	154,305	154,305	0
Southwark Schools for the Future	5,017	4,053	5,017	0	4,490	4,490	0	33,838	33,838	0	43,345	43,345	0
Finance and Corporate Services	8,576	6,479	8,455	(121)	12,939	12,939	0	41,662	41,662	0	63,177	63,056	(121)
Environment	23,794	11,228	23,794	0	37,331	37,331	0	89,766	89,766	0	150,891	150,891	0
Housing General Fund	2,260	1,956	2,260	0	1,167	1,167	0	0	0	0	3,427	3,427	0
Chief Executive	24,801	6,451	24,801	0	40,108	40,108	0	105,578	105,578	0	170,487	170,487	0
TOTAL EXPENDITURE	82,174	41,324	82,053	(121)	160,069	160,069	0	343,389	343,389	0	585,632	585,511	(121)
FINANCED BY:													
Corporate Resource Pool	43,094	9,200	46,812	3,718	88,168	71,536	(16,632)	248,812	162,903	(85,909)	380,074	281,251	(98,823)
Reserves	2,699	694	2,699	0	4,574	4,574	0	3,032	3,032	0	10,305	10,305	0
Revenue	1,400	907	1,400	0	1,050	1,050	0	0	0	0	2,450	2,450	0
Capital Grants	25,751	14,087	25,751	0	51,123	51,123	0	31,112	31,112	0	107,986	107,986	0
Section 106 Funds	8,042	2,282	8,042	0	15,038	15,038	0	60,053	60,053	0	83,133	83,133	0
External Contributions	1,188	1,172	1,188	0	116	116	0	380	380	0	1,684	1,684	0
TOTAL RESOURCES	82,174	28,342	85,892	3,718	160,069	143,437	(16,632)	343,389	257,480	(85,909)	585,632	486,809	(98,823)
Forecast variation (under)/over	0	12,982	(3,839)	(3,839)	0	16,632	16,632	0	85,909	85,909	0	98,702	98,702

Project description	2014/15				2015/16		
	Revised Budget	Spend to date	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	7	0	7	0	0	0	0
WDS 2-year programme	1,582	1,564	1,582	0	4,018	4,018	0
WDS 2012 major works	17,847	9,027	17,847	0	3,856	3,856	0
WDS 2013 major works	11,254	4,003	11,254	0	23,733	23,733	0
WDS 2014 major works	33,915	20,601	33,915	0	23,233	23,233	0
WDS 2015 major works	2,600	1,865	2,600	0	25,400	25,400	0
FRA works	2,192	632	2,192	0	1,193	1,193	0
Additional FRA Works	2,087	0	2,087	0	2,300	2,300	0
M&E electrical	790	100	790	0	967	967	0
M&E heating	9,886	4,927	9,886	0	4,767	4,767	0
M&E lifts	2,339	2,083	2,339	0	773	773	0
WDS voids works	4,147	3,897	4,147	0	4,000	4,000	0
WDS Leathermarket JMB	746	176	746	0	1,100	1,100	0
WDS Unallocated Budget	1,409	225	1,409	0	2,108	2,108	0
Housing Stock - New Programme	0	0	0	0	0	0	0
HINE WDS works	4,456	4,263	4,456	0	10,413	10,413	0
HINE additional works	10,054	6,941	10,054	0	34,349	34,349	0
Aylesbury Estate PPM works	3,730	2,358	3,730	0	1,149	1,149	0
Aylesbury Estate regeneration	3,200	2,971	3,200	0	12,648	12,648	0
Bermondsey Spa refurbishment	673	73	673	0	75	75	0
East Dulwich Estate	5,514	1,732	5,514	0	805	805	0
Elmington Estate	914	860	914	0	2,637	2,637	0
Heygate Estate	8,661	6,630	8,661	0	5,017	5,017	0
Hidden Homes	472	0	472	0	83	83	0
Hostels new build	10,182	7,825	10,182	0	2,614	2,614	0
Local authority new build	274	41	274	0	40	40	0
Misc regen, acquisitions and home loss	642	194	642	0	150	150	0
Direct Delivery - New Council Homes	14,661	2,080	14,661	0	46,843	46,843	0
Adaptations	2,171	1,315	2,171	0	2,079	2,079	0
Affordable housing through commuted sums	704	215	704	0	0	0	0
Cash incentive & Home owner buy back scheme	490	140	490	0	573	573	0
Digital switchover	242	29	242	0	0	0	0
Disposals costs	864	141	864	0	500	500	0
Energy	0	0	0	0	200	200	0
Installation of Sprinkler & Smoke detectors	5,517	148	5,517	0	9,767	9,767	0
Lakanal House	1,026	0	1,026	0	10,467	10,467	0
Fire damage reinstatement	1,056	475	1,056	0	200	200	0
Group repairs	0	0	0	0	272	272	0
Hostels accommodation	384	365	384	0	0	0	0
Leasehold / freehold acquisitions	1,205	304	1,205	0	300	300	0
Major voids	1,256	301	1,256	0	1,381	1,381	0
Office accommodation	0	0	0	0	250	250	0
Scheme management costs	380	0	0	0	2,751	2,751	0
Security	380	0	380	0	303	303	0
Sheltered accommodation	198	79	198	0	502	502	0
T&RA halls	3,597	2,149	3,597	0	3,636	3,636	0
Heating Energy Efficiency Measures	3,601	10	3,601	0	6,150	6,150	0
	176,925	90,739	176,925	0	253,602	253,602	0
FINANCED BY:							
Corporate Resource Pool	70,186	70,186	70,186	0	0	0	0
Housing receipts (incl reserved part of RTBs)	27,396	9,714	27,396	0	32,160	32,160	0
Depreciation charge (MRA)	46,800	0	46,800	0	46,400	46,400	0
Major Repairs Reserve (MRR)	2,800	2,800	2,800	0	2,800	2,800	0
Revenue Contribution	21,800	0	21,800	0	18,700	18,700	0
New Homes Bonus	1,500	1,500	1,500	0	938	938	0
Grants (DH backlog funding)	32,100	0	32,100	0	0	0	0
Section 106 Funds & Grants	10,742	554	10,742	0	805	805	0
External Contributions	14,500	0	14,500	0	0	0	0
TOTAL RESOURCES	227,824	84,754	227,824	0	101,803	101,803	0
Forecast variation (under)/over	(50,899)		(50,899)	0	151,799	151,799	0

Project description	2016/17 - Future Years			Total Programme 2014/15 - Future Years		
	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	0	0	0	7	7	0
WDS 2-year programme	0	0	0	5,600	5,600	0
WDS 2012 major works	0	0	0	21,703	21,703	0
WDS 2013 major works	84	84	0	35,071	35,071	0
WDS 2014 major works	459	459	0	57,607	57,607	0
WDS 2015 major works	0	0	0	28,000	28,000	0
FRA works	0	0	0	3,385	3,385	0
Additional FRA Works	0	0	0	4,387	4,387	0
M&E electrical	0	0	0	1,757	1,757	0
M&E heating	0	0	0	14,653	14,653	0
M&E lifts	0	0	0	3,112	3,112	0
WDS voids works	0	0	0	8,147	8,147	0
WDS Leathermarket JMB	0	0	0	1,846	1,846	0
WDS Unallocated Budget	0	0	0	3,517	3,517	0
Housing Stock - New Programme	985,089	985,089	0	985,089	985,089	0
HINE WDS works	0	0	0	14,869	14,869	0
HINE additional works	2,976	2,976	0	47,379	47,379	0
Aylesbury Estate PPM works	0	0	0	4,879	4,879	0
Aylesbury Estate regeneration	53,749	53,749	0	69,597	69,597	0
Bermondsey Spa refurbishment	122	122	0	870	870	0
East Dulwich Estate	0	0	0	6,319	6,319	0
Elmington Estate	323	323	0	3,874	3,874	0
Heygate Estate	1,000	1,000	0	14,678	14,678	0
Hidden Homes	0	0	0	555	555	0
Hostels new build	1,000	1,000	0	13,796	13,796	0
Local authority new build	0	0	0	314	314	0
Misc regen, acquisitions and home loss	0	0	0	792	792	0
Direct Delivery - New Council Homes	17,091	17,091	0	78,595	78,595	0
Adaptations	12,000	12,000	0	16,250	16,250	0
Affordable housing through commuted sums	0	0	0	704	704	0
Cash incentive & Home owner buy back scheme	0	0	0	1,063	1,063	0
Digital switchover	0	0	0	242	242	0
Disposals costs	0	0	0	1,364	1,364	0
Energy	200	200	0	400	400	0
Installation of Sprinkler & Smoke detectors	26,868	26,868	0	42,152	42,152	0
Lakanal House	5,450	5,450	0	16,943	16,943	0
Fire damage reinstatement	0	0	0	1,256	1,256	0
Group repairs	0	0	0	272	272	0
Hostels accommodation	0	0	0	384	384	0
Leasehold / freehold acquisitions	0	0	0	1,505	1,505	0
Major voids	0	0	0	2,637	2,637	0
Office accommodation	0	0	0	250	250	0
Scheme management costs	0	0	0	2,751	2,751	0
Security	0	0	0	683	683	0
Sheltered accommodation	0	0	0	700	700	0
T&RA halls	1,500	1,500	0	8,733	8,733	0
Heating Energy Efficiency Measures	0	0	0	9,751	9,751	0
	1,107,911	1,107,911	0	1,538,438	1,538,438	0

FINANCED BY:						
Corporate Resource Pool	0	0	0	70,186	70,186	0
Housing receipts (incl reserved part of RTBs)	158,500	158,500	0	218,056	218,056	0
Depreciation charge (MRA)	278,400	278,400	0	371,600	371,600	0
Major Repairs Reserve (MRR)	5,600	5,600	0	11,200	11,200	0
Revenue Contribution	103,200	103,200	0	143,700	143,700	0
New Homes Bonus	1,100	1,100	0	3,538	3,538	0
Grants (DH backlog funding)	0	0	0	32,100	32,100	0
Section 106 Funds & Grants	0	0	0	11,547	11,547	0
External Contributions	0	0	0	14,500	14,500	0
TOTAL RESOURCES	546,800	546,800	0	876,427	876,427	0
Forecast variation (under)/over	561,111	561,111	0	662,011	662,011	0

GENERAL FUND AND HOUSING INVESTMENT CAPITAL PROGRAMME QTR 3 2014/15									APPENDIX C
BUDGET VARIATIONS, VIREMENTS AND NEW CAPITAL BIDS FOR APPROVAL									
	Children & Adult Services	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme	Total Programme Expenditure
	£	£	£	£	£	£	£	£	£
CURRENT PROGRAMME AS AT QTR 2 2014/15	109,895,593	43,344,874	57,577,501	145,460,716	3,426,508	148,974,046	508,679,238	1,475,310,357	1,983,989,595
Quarter 3 - Virements to be approved									
Work to Council Buildings DDA			(1,524,042)				(1,524,042)		(1,524,042)
Property Works Programme			1,524,042				1,524,042		1,524,042
Allocation of Legacy Investment Budgets				(1,050,000)			(1,050,000)		(1,050,000)
-Homestall Road				650,000			650,000		650,000
-SSG disability				150,000			150,000		150,000
-Parks Infrastructure & Investment Programme				250,000			250,000		250,000
South Dock Marina new showers & lavatories				12,098			12,098		12,098
SDM Essential H & S Project				(12,098)			(12,098)		(12,098)
Brayards Improvement Zone				1,646,600			1,646,600		1,646,600
-Bellenden - Environmental				(3,188)			(3,188)		(3,188)
-Bellenden Traffic Works				(107,556)			(107,556)		(107,556)
-Astbury & Colls St - Improvem				(12,552)			(12,552)		(12,552)
-Low Carbon Zone (LCZ) Group Re				(867,536)			(867,536)		(867,536)
- EP&N Eco				(225,000)			(225,000)		(225,000)
- EP&N Estates				(300,000)			(300,000)		(300,000)
- EP&N Minor Schemes				(130,768)			(130,768)		(130,768)
Southwark moving on grant				(19,719)			(19,719)		(19,719)
Home Repair Grant				19,719			19,719		19,719
-LHB Empty Homes Grant				(78,577)			(78,577)		(78,577)
-Home Repair Loan				(283,249)			(283,249)		(283,249)
Housing Renewal Loans & Grant Scheme				361,826			361,826		361,826
Major voids								(26,000)	(26,000)
Direct Delivery - New Council Homes								26,000	26,000
Direct Delivery - Willow Walk (consolidation of budgets)								9,798,885	9,798,885
-Willow Walk - Hostels New Build								(4,535,887)	(4,535,887)
-Willow Walk - General								(5,262,998)	(5,262,998)
Walworth Academy		3,634					3,634		3,634
Tuke Special School		568					568		568
St Michael's PFI		(26,391)					(26,391)		(26,391)
SMAA		554,148					554,148		554,148
STAC PFI St Thomas the Apostle college		(27,881)					(27,881)		(27,881)
New School Aylesbury		(351)					(351)		(351)
Bredinghurst (budget loaded on KS3)		(9,771)					(9,771)		(9,771)
Unallocated Projects		(493,956)					(493,956)		(493,956)
Total virements to be approved at Qtr 3	0	0	0	0	0	0	0	0	0
Quarter 3 - Variations and new bids to be approved									
Funded Budget Variations									
Dulwich and Herne Hill Flood Alleviation (Thames Water Utilities)				3,205,000.00			3,205,000		3,205,000
Parking Design Projects (S106)				5,000.00			5,000		5,000

GENERAL FUND AND HOUSING INVESTMENT CAPITAL PROGRAMME QTR 3 2014/15									APPENDIX C
BUDGET VARIATIONS, VIREMENTS AND NEW CAPITAL BIDS FOR APPROVAL									
	Children & Adult Services	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme	Total Programme Expenditure
Pocket Parks (Southampton Row) Flood Prevention (Env Agency)				30,000.00			30,000		30,000
Pocket Parks (Comber Grove) Flood Prevention (Env Agency)				30,000.00			30,000		30,000
LHB Loans Scheme				(39,491)			(39,491)		(39,491)
Camberwell Town Centre (S106)						(359,518)	(359,518)		(359,518)
Enabling Works						(152,953)	(152,953)		(152,953)
Tapley, Nickleby & Dombey Hse (S106)								311,364	311,364
Door Entry 13/14 Nelson and Tabard (revenue funded)								84,603	84,603
Heversham House Urgent Asphalt Repairs (revenue funded)								246,932	246,932
Door Entry -Astley, Amigo, Brodie & Burton Hse (revenue funded)								136,530	136,530
Willow Walk - Direct Delivery (GLA Grant) & misc								1,204,362	1,204,362
Schools contribution	50,707						50,707		50,707
Adult PSS Capital Allocations	875,000						875,000		875,000
DoH Autism capital grant	18,500						18,500		18,500
DFE Basic Needs 2015/16	5,703,777						5,703,777		5,703,777
DFE Basic Needs 2016/17	5,988,966						5,988,966		5,988,966
Various Schemes (grant, S106 and external contribution funded)	15,966,696						15,966,696		15,966,696
EP&N Queens Road				(400,037)			(400,037)		(400,037)
New Capital Bids - To be funded from Corporate Resource Pool									
IT investment schemes			5,000,000				5,000,000		5,000,000
Walworth Road Fire			600,000				600,000		600,000
Southwark Park Development				1,500,000			1,500,000		1,500,000
The Castle Leisure Centre (purchase of fitness equipment)				1,100,000			1,100,000		1,100,000
Acquisition of Property for Regeneration Projects						21,000,000	21,000,000		21,000,000
Direct Delivery - New Council Homes (agreed by HIB)								54,081,345	54,081,345
Good Neighbours House (agreed by HIB)								1,477,575	1,477,575
E&C Regeneration Costs								5,584,000	5,584,000
Primary Expansion Programme	15,804,698						15,804,698		15,804,698
New Nunhead Community Centre						1,025,000	1,025,000		1,025,000
Total variations and new bids to be approved at Qtr 3	44,408,344	0	5,600,000	5,430,472	0	21,512,529	76,951,345	63,126,711	140,078,056
TOTAL PROGRAMME BUDGET VIREMENTS & VARIATIONS AT QUARTER 3 2014/15	44,408,344	0	5,600,000	5,430,472	0	21,512,529	76,951,345	63,126,711	140,078,056
REVISED BUDGETS	154,303,937	43,344,874	63,177,501	150,891,188	3,426,508	170,486,575	585,630,583	1,538,437,068	2,124,067,651
VIREMENTS & VARIATIONS REQUESTED TO BE APPROVED									
FINANCED BY:									
Capital Receipt	15,804,698		5,000,000	2,128,601		22,025,000	44,958,299	61,148,282	106,106,581
Major Repairs Allowance							0		0
Reserves							0		0
Revenue			600,000				600,000	468,065	1,068,065
Capital Grant	22,586,243			3,336,362		(152,953)	25,769,652	1,199,000	26,968,652
Section 106 Funds	5,586,696			5,000		(359,518)	5,232,178	311,364	5,543,542

GENERAL FUND AND HOUSING INVESTMENT CAPITAL PROGRAMME QTR 3 2014/15								APPENDIX C	
BUDGET VARIATIONS, VIREMENTS AND NEW CAPITAL BIDS FOR APPROVAL									
	Children & Adult Services	Southwark Schools for the Future	Finance and Corporate Services	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme	Total Programme Expenditure
External Contribution	430,707			(39,491)			391,216		391,216
TOTAL RESOURCES	44,408,344	0	5,600,000	5,430,472	0	21,512,529	76,951,345	63,126,711	140,078,056

2014/15 QTR 3 CAPITAL MONITOR									APPENDIX D
Capital Programme 2014/15 - 2023/24									
Description of Programme / Project	2014/15	2014/15	2014/15	2015/16+	2015/16+	2015/16+	Total Programme 2014/15 - 2023/24	Total Programme 2014/15 - 2023/24	Total Programme 2014/15 - 2023/24
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Environment									
Kingswood House refurb	0	0	0	250,000	250,000	0	250,000	250,000	0
works	36,381	36,381	0	0	0	0	36,381	36,381	0
Refurbishment	150,000	150,000	0	1,839,800	1,839,800	0	1,989,800	1,989,800	0
Other OLF Projects	1,073,345	1,073,345	0	3,169,696	3,169,696	0	4,243,041	4,243,041	0
RFID	299,000	299,000	0	124,000	124,000	0	423,000	423,000	0
Grove Vale Library	0	0	0	160,000	160,000	0	160,000	160,000	0
Canada Water Public Art	5,000	5,000	0	67,000	67,000	0	72,000	72,000	0
Thomas Calton Centre refurbishment	455,000	455,000	0	95,794	95,794	0	550,794	550,794	0
Peckham Pulse Option 1 & 2	600,000	600,000	0	1,356,090	1,356,090	0	1,956,090	1,956,090	0
Leisure centres Lifecycle maintenance	150,210	150,210	0	1,378,966	1,378,966	0	1,529,176	1,529,176	0
Livesey Museum	74,496	74,496	0	0	0	0	74,496	74,496	0
Further implementation of RFID in libraries	100,000	100,000	0	0	0	0	100,000	100,000	0
Refurbishment at Peckham Library	0	0	0	550,000	550,000	0	550,000	550,000	0
Temporary library at Elephant & Castle	1,200,000	1,200,000	0	0	0	0	1,200,000	1,200,000	0
premises	0	0	0	75,000	75,000	0	75,000	75,000	0
Olympic Legacy Phase 2	0	0	0	450,000	450,000	0	450,000	450,000	0
Modernisation of Adult Learning Services at Thomas Calton Centre - ICT works	150,000	150,000	0	0	0	0	150,000	150,000	0
Community Safety	61,105	61,105	0	0	0	0	61,105	61,105	0
SDM Essential H&S requirement	115,700	115,700	0	6,000	6,000	0	121,700	121,700	0
Parking contract upfront capital costs	20,991	20,991	0	0	0	0	20,991	20,991	0
SDM Essential H&S requirement	169,380	169,380	0	1,050,000	1,050,000	0	1,219,380	1,219,380	0
Walworth Road	0	0	0	38,442	38,442	0	38,442	38,442	0
Programme	5,472,529	5,472,529	0	38,953,218	38,953,218	0	44,425,747	44,425,747	0
Principal Road Programme	0	0	0	3,000,000	3,000,000	0	3,000,000	3,000,000	0
Flood Prevention (Highways drainage gully replacement) Programme	245,000	245,000	0	2,265,000	2,265,000	0	2,510,000	2,510,000	0
Pothole Repair Fund	260,011	260,011	0	0	0	0	260,011	260,011	0
Realm	25,000	25,000	0	875,000	875,000	0	900,000	900,000	0
Herne Hill Flood Prevention	3,205,000	3,205,000	0	0	0	0	3,205,000	3,205,000	0
Replacement	549,337	549,337	0	4,500,000	4,500,000	0	5,049,337	5,049,337	0
Other Park Projects	572,302	572,302	0	56,758	56,758	0	629,060	629,060	0
GMH Park accommodation refurbishment	33,534	33,534	0	79,576	79,576	0	113,110	113,110	0
Newington Ward Park Improvements	12,279	12,279	0	434,050	434,050	0	446,329	446,329	0
Cemetery Burial Strategy	464,301	464,301	0	4,754,079	4,754,079	0	5,218,380	5,218,380	0
Burgess Park Revitalisation Project	453,679	453,679	0	6,000,000	6,000,000	0	6,453,679	6,453,679	0
Additional Replacement Tree Planting	100,000	100,000	0	500,000	500,000	0	600,000	600,000	0
Programme	1,040,000	1,040,000	0	9,210,000	9,210,000	0	10,250,000	10,250,000	0
Green Dale Fields Project	42,688	42,688	0	0	0	0	42,688	42,688	0
Other public realm projects funded by S106	100,675	100,675	0	414,533	414,533	0	515,208	515,208	0
Parking Design Projects	50,000	50,000	0	43,565	43,565	0	93,565	93,565	0

2014/15 QTR 3 CAPITAL MONITOR

APPENDIX D

Capital Programme 2014/15 - 2023/24									
Description of Programme / Project	2014/15	2014/15	2014/15	2015/16+	2015/16+	2015/16+	Total Programme 2014/15 - 2023/24	Total Programme 2014/15 - 2023/24	Total Programme 2014/15 - 2023/24
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Southbank Accessibility Improvements	0	0	0	205,118	205,118	0	205,118	205,118	0
Connect 2	712	712	0	0	0	0	712	712	0
20mph Zone	138,000	138,000	0	1,062,000	1,062,000	0	1,200,000	1,200,000	0
Cycling Infrastructure Fund	50,000	50,000	0	1,950,000	1,950,000	0	2,000,000	2,000,000	0
Cleaner Greener Safer Programme	1,493,800	1,493,800	0	19,284,326	19,284,326	0	20,778,126	20,778,126	0
Integrated Waste Solutions Programme	50,000	50,000	0	1,908,919	1,908,919	0	1,958,919	1,958,919	0
Southwark Heat Network	7,242	7,242	0	0	0	0	7,242	7,242	0
Energy efficiency - operational estate	50,000	50,000	0	2,450,000	2,450,000	0	2,500,000	2,500,000	0
Solar Photovoltaic arrays	598,500	598,500	0	13,000	13,000	0	611,500	611,500	0
Brayards Improvement Zone	850,080	850,080	0	796,520	796,520	0	1,646,600	1,646,600	0
Housing Renewal	3,268,856	3,268,856	0	15,130,605	15,130,605	0	18,399,461	18,399,461	0
Southwark Park Development	0	0	0	1,500,000	1,500,000	0	1,500,000	1,500,000	0
The Castle Leisure Centre (purchase of fitness equipments)	0	0	0	1,100,000	1,100,000	0	1,100,000	1,100,000	0
Environment	23,794,133	23,794,133	0	127,097,055	127,097,055	0	150,891,188	150,891,188	0
Finance and Corporate Services									
Information Services	2,125	2,125	0	1,202,321	1,202,321	0	1,204,446	1,204,446	0
Essential upgrade of Carefirst system	980,000	976,605	(3,395)	1,820,000	1,820,000	0	2,800,000	2,796,605	(3,395)
IT Investment Schemes	5,434,477	5,316,292	(118,185)	11,246,115	11,246,115	(0)	16,680,592	16,562,407	(118,185)
Property Works Programme	0	0	0	2,142,463	2,142,463	0	2,142,463	2,142,463	0
PPM & Compliance Programme	0	0	0	10,250,000	10,250,000	0	10,250,000	10,250,000	0
Planned Preventative Maintenance	700,000	700,000	0	26,800,000	26,800,000	0	27,500,000	27,500,000	0
Walworth Road Fire	1,400,000	1,400,000	0	1,000,000	1,000,000	0	2,400,000	2,400,000	0
Municipal Agency Bond	60,000	60,000	0	140,000	140,000	0	200,000	200,000	0
Finance and Corporate Services Total	8,576,602	8,455,022	(121,580)	54,600,899	54,600,899	(0)	63,177,501	63,055,921	(121,580)
Chief Executive									
Public Realm & Open Space Improvements	611,608	611,608	0	3,238,567	3,238,567	0	3,850,175	3,850,175	0
Improvement	69,983	69,983	0	86,946	86,946	0	156,929	156,929	0
Bermondsey Streetscape Improvement	10,000	10,000	0	1,285,506	1,285,506	0	1,295,506	1,295,506	0
Improving Local Retail Enviroments	110,414	110,414	0	182,984	182,984	0	293,398	293,398	0
Tourism Infrastructure	15,991	15,991	0	279,410	279,410	0	295,401	295,401	0
Housing/Area Renewal	217,568	217,568	0	1,171,122	1,171,122	0	1,388,690	1,388,690	0
Hatfields Streetscape Improvements	120,006	120,006	0	95,520	95,520	0	215,526	215,526	0
ILRE Phase 2	0	0	0	2,000,000	2,000,000	0	2,000,000	2,000,000	0
Jigsaw)	0	0	0	2,850,000	2,850,000	0	2,850,000	2,850,000	0
Improvements	4,387,465	4,387,465	0	3,060,583	3,060,583	0	7,448,048	7,448,048	0
Major Schemes	27,478	27,478	0	271,871	271,871	0	299,349	299,349	0
Improvements	25,378	25,378	0	571,109	571,109	0	596,487	596,487	0
Elephant & Castle Open Spaces	481,650	481,650	0	5,478,350	5,478,350	0	5,960,000	5,960,000	0
Walworth Town Hall	0	0	0	20,000,000	20,000,000	0	20,000,000	20,000,000	0

2014/15 QTR 3 CAPITAL MONITOR

APPENDIX D

Capital Programme 2014/15 - 2023/24									
Description of Programme / Project	2014/15	2014/15	2014/15	2015/16+	2015/16+	2015/16+	Total Programme 2014/15 - 2023/24	Total Programme 2014/15 - 2023/24	Total Programme 2014/15 - 2023/24
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Peckham	44,553	44,553	0	12,778,806	12,778,806	0	12,823,359	12,823,359	0
Revitalise Camberwell	0	0	0	3,126,000	3,126,000	0	3,126,000	3,126,000	0
Camberwell Library	2,592,425	2,592,425	0	0	0	0	2,592,425	2,592,425	0
Canada Water Library	177,735	177,735	0	166,700	166,700	0	344,435	344,435	0
Construction of Community Centre	715,673	715,673	0	827,316	827,316	0	1,542,989	1,542,989	0
Revitalise Peckham Rye	0	0	0	1,895,777	1,895,777	0	1,895,777	1,895,777	0
Mint Street Adventure	0	0	0	2,000,000	2,000,000	0	2,000,000	2,000,000	0
Centre	6,464,589	6,464,589	0	2,452,379	2,452,379	0	8,916,968	8,916,968	0
Voluntary Sector Strategy	0	0	0	1,031,472	1,031,472	0	1,031,472	1,031,472	0
Pullens Yard Improvements	0	0	0	452,000	452,000	0	452,000	452,000	0
Void Shops & Council Owned Parade	0	0	0	2,000,000	2,000,000	0	2,000,000	2,000,000	0
Refurbishment of Office Accomodation	5,478	5,478	0	0	0	0	5,478	5,478	0
Lease of New Office Accomodation	0	0	0	200,000	200,000	0	200,000	200,000	0
Assets	0	0	0	1,623,909	1,623,909	0	1,623,909	1,623,909	0
Acquisition of New Office Accomodation	282,254	282,254	0	0	0	0	282,254	282,254	0
Elephant & Castle Regeneration	4,440,000	4,440,000	0	58,560,000	58,560,000	0	63,000,000	63,000,000	0
Project	4,000,000	4,000,000	0	18,000,000	18,000,000	0	22,000,000	22,000,000	0
Chief Executive Total	24,800,248	24,800,248	0	145,686,327	145,686,327	0	170,486,575	170,486,575	0
Childrens and Adults Services									
Children's Centres	138,000	138,000	0	15,000	15,000	0	153,000	153,000	0
Other grants allocation	0	0	0	1,041,566	1,041,566	0	1,041,566	1,041,566	0
3 Primaries	3,408,926	3,408,926	0	1,562,519	1,562,519	0	4,971,445	4,971,445	0
Primary Temporary Expansion	1,195,919	1,195,919	0	0	0	0	1,195,919	1,195,919	0
Carbon Reduction in Schools	426,263	426,263	0	500,000	500,000	0	926,263	926,263	0
Other Primary Projects	134,158	134,158	0	0	0	0	134,158	134,158	0
Meals	67,000	67,000	0	85,108	85,108	0	152,108	152,108	0
Maintenance Grants	414,688	414,688	0	80,000	80,000	0	494,688	494,688	0
Bessemer Grange	2,064,000	2,064,000	0	694,482	694,482	0	2,758,482	2,758,482	0
Dulwich Wood (Langbourne)	1,649,000	1,649,000	0	1,209,300	1,209,300	0	2,858,300	2,858,300	0
Lyndhurst major expansion & refurbishment	1,487,000	1,487,000	0	1,665,317	1,665,317	0	3,152,317	3,152,317	0
Youth Service Projects	300,000	300,000	0	41,712	41,712	0	341,712	341,712	0
Troubled Families	5,000	5,000	0	232,520	232,520	0	237,520	237,520	0
Maintenance programmes for Schools	2,500,000	2,500,000	0	7,000,000	7,000,000	0	9,500,000	9,500,000	0
Permanent Expansion	3,300,000	3,300,000	0	90,194,204	90,194,204	0	93,494,204	93,494,204	0
Risk-council retained risk	0	0	0	2,937,000	2,937,000	0	2,937,000	2,937,000	0
Risk- listed building planning consent	0	0	0	2,000,000	2,000,000	0	2,000,000	2,000,000	0
Allowance - RIBA b/c designs	0	0	0	4,423,000	4,423,000	0	4,423,000	4,423,000	0
Contingency - inflation	0	0	0	3,640,000	3,640,000	0	3,640,000	3,640,000	0
Southwark Resource Centre	38,000	38,000	0	220,916	220,916	0	258,916	258,916	0
Adult PSS Capital Allocations	0	0	0	2,355,759	2,355,759	0	2,355,759	2,355,759	0

2014/15 QTR 3 CAPITAL MONITOR

APPENDIX D

Capital Programme 2014/15 - 2023/24									
Description of Programme / Project	2014/15	2014/15	2014/15	2015/16+	2015/16+	2015/16+	Total Programme 2014/15 - 2023/24	Total Programme 2014/15 - 2023/24	Total Programme 2014/15 - 2023/24
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult PSS Orient Street	129,700	129,700	0	1,220,300	1,220,300	0	1,350,000	1,350,000	0
Adult PSS Fred Francis	60,000	60,000	0	0	0	0	60,000	60,000	0
Adult PSS Southwark Park Road	83,450	83,450	0	0	0	0	83,450	83,450	0
Transformation of LD care - Brandon Trust	306,880	306,880	0	958,750	958,750	0	1,265,630	1,265,630	0
Centre of Excellence	0	0	0	2,500,000	2,500,000	0	2,500,000	2,500,000	0
DoH Autism capital grant	18,500	18,500	0	0	0	0	18,500	18,500	0
Autism learning provision	0	0	0	12,000,000	12,000,000	0	12,000,000	12,000,000	0
Children's Services Total	17,726,484	17,726,484	0	136,577,453	136,577,453	0	154,303,937	154,303,937	0
Southwark Schools for the Future									
Walworth Academy	103,634	103,634	0	0	0	0	103,634	103,634	0
Tuke Special School	568	568	0	0	0	0	568	568	0
St Michael's PFI	9,553	9,553	0	0	0	0	9,553	9,553	0
SMAA	2,340,469	2,340,469	0	0	0	0	2,340,469	2,340,469	0
Contingency & Retention payments	93,627	93,627	0	6,606,044	6,606,044	0	6,699,671	6,699,671	0
New School Aylesbury	878,230	878,230	0	0	0	0	878,230	878,230	0
Notre Dame (VA)	429,642	429,642	0	0	0	0	429,642	429,642	0
KS3/ KS4 SILS	20,142	20,142	0	4,415,536	4,415,536	0	4,435,678	4,435,678	0
ICT	1,141,243	1,141,243	0	1,199,483	1,199,483	0	2,340,726	2,340,726	0
Rotherhithe deferred	0	0	0	19,621,799	19,621,799	0	19,621,799	19,621,799	0
Phase 3 rescope	0	0	0	6,484,904	6,484,904	0	6,484,904	6,484,904	0
Southwark Schools for the Future Total	5,017,108	5,017,108	0	38,327,766	38,327,766	0	43,344,874	43,344,874	0
Housing General Fund									
Springtide Close travellers site	400,000	400,000	0	126,508	126,508	0	526,508	526,508	0
Ilderton travellers site wall	300,000	300,000	0	0	0	0	300,000	300,000	0
Wadding Street and Stead Street	1,560,000	1,560,000	0	1,040,000	1,040,000	0	2,600,000	2,600,000	0
Housing General Fund Total	2,260,000	2,260,000	0	1,166,508	1,166,508	0	3,426,508	3,426,508	0
Capital Programme 2014/15 - 2023/24									
Total General Fund Programme									
	2014/15	2014/15	2014/15	2015/16+	2015/16+	2015/16+	Total Programme	Total Programme	Total Programme
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Expenditure	82,174,575	82,052,995	(121,579)	503,456,008	503,456,007	(0)	585,630,582	585,511,003	(121,580)
Total Resources	81,976,891	85,892,690	3,915,799	503,653,692	400,916,802	(102,736,890)	585,630,582	486,809,492	(98,821,090)
Forecast variation (under)/over	197,684	(3,839,695)	(4,037,378)	0	102,539,205	102,736,890	0	98,701,511	98,699,511

Item No. 7.1	Classification: Open	Date: 25 March 2015	Meeting Name: Council Assembly
Report title:		Special Urgency and Urgent Implementation Decisions – Annual Report	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

RECOMMENDATION

1. That council assembly notes the schedule of special urgency and urgent implementation decisions (set out in Appendix 1) taken in accordance with access to information procedure rules 19 and 20.

BACKGROUND INFORMATION

2. The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 requires local authorities to consider an annual report detailing each executive decision where the making of the decision was agreed as a special urgency decision.
3. Special urgency decisions are decisions that need to be taken within five clear working days; i.e. the requirements of access to information procedure rule 18 (general exception) on notice cannot be complied with. The decision will be subject to call-in.
4. The procedure for special urgency decisions is set out in Rule 19 of the access to information procedure rules. It states:

“If the date by which a decision must be taken means that rule 18 (general exception) cannot be followed, then the decision can only be taken if the decision maker (if an individual) or the chair of the body making the decision, obtains the agreement of the chair of the overview and scrutiny committee that the taking of the decision cannot be reasonably deferred.

If there is no chair of the overview and scrutiny committee, or the chair of each relevant overview and scrutiny committee is unable to act, then the agreement of the Mayor of the council, or in his/her absence the Deputy Mayor will suffice.”

5. Urgent implementation decisions are decisions that whether they have been included on the forward plan or not, need to be implemented immediately by virtue of the urgency of the actions that need to be taken. The decision will not be subject to call-in. Decisions taken under urgent implementation are not required to be reported to council assembly, however as urgency also applies these have been included.

6. The procedure for urgent implementation is set out in Rule 20 of the access to information procedure rules. It states:

“If a decision needs to be implemented immediately by virtue of the urgency of the actions that need to be taken, then the decision can only be taken if the decision maker (if an individual) or the chair of the body making the decision obtains the agreement of the chair of overview and scrutiny committee both that the decision proposed is:

- a) reasonable in all circumstances
- b) to be treated as a matter of urgency.”

KEY ISSUES FOR CONSIDERATION

7. The schedule listed as Appendix 1 contains details of those decisions which have been considered under the provisions of special urgency and / or urgent implementation from 26 February 2014. There were no special urgency decisions in this period.

Community impact statement

8. There are no community impact implications arising from this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Special Urgency and Urgent Implementation Decisions	Council Offices, 160 Tooley Street, SE1 2QH	Kenny Uzodike 020 7525 7236
Link http://moderngov.southwark.gov.uk/mgListPlans.aspx?RPId=50000003&RD=0		

APPENDICES

No.	Title
Appendix 1	Schedule of Special Urgency and Urgent Implementation Decisions

AUDIT TRAIL

Lead Officer	Ian Millichap, Proper Constitutional Officer	
Report Author	Everton Roberts, Principal Constitutional Officer	
Version	Final	
Dated	13 March 2015	
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	No	No
Date final report sent to Constitutional Team	13 March 2015	

APPENDIX 1

REPORT TO COUNCIL ASSEMBLY – MARCH 2015 SPECIAL URGENCY AND URGENT IMPLEMENTATION DECISIONS

REPORT TITLE/DECISION SUMMARY	DATE AND MEMBER WHO AGREED TO SPECIAL URGENCY / URGENT IMPLEMENTATION	REASON FOR URGENCY	DATE DECISION AGREED
<p>Southwark Muslim Women's Association - Withdrawal of Community Capacity Grant Funding</p> <p>The deputy leader and cabinet member for communities, employment and business agreed to the withdrawal of the community capacity grant funding for the Southwark Muslim Women's Association for 2014/2015 for breaches of the conditions of grant funding and noted that the strategic director of environment & leisure had been recommended to terminate the adult learning contract with Southwark Muslim Women's Association.</p>	<p>08.07.2014 (Urgent Implementation)</p> <p>Councillor Gavin Edwards, Chair of Overview and Scrutiny Committee</p>	<p>As a result of a number of concerns about the organisation, a review of the funding relationship between the council and the organisation had reached a point where the recommendation was that the council takes action to withdraw and terminate funding of the organisation. The decision could not be delayed as without approval of the recommendation to cease funding the second quarter payment of the Community Capacity grant to SMWA would have become due in July.</p>	16.07.2014
<p>Gateway 1&2: Engineering Contracts for the Repair and Maintenance of Potable Water, Individual Heating Systems and District Heating and Engineering Installations</p> <p>The cabinet member for housing agreed that the prior approval of the procurement strategy outlined</p>	<p>17.07.2014 (Urgent Implementation)</p> <p>Councillor Gavin Edwards, Chair of Overview and Scrutiny Committee</p>	<p>The GW1&2 needed to be approved prior to the GW1 for Heating and Water Contracts by Cabinet on 22 July 2014.</p>	17.07.2014

REPORT TITLE/DECISION SUMMARY	DATE AND MEMBER WHO AGREED TO SPECIAL URGENCY / URGENT IMPLEMENTATION	REASON FOR URGENCY	DATE DECISION AGREED
<p>in the report for ten (10) Engineering Contracts for the Repair and Maintenance of Potable Water, Individual Heating Systems and District Heating and Engineering Installations to undertake single supplier's negotiations.</p> <p>The cabinet member for housing also approved the award of the ten (10) Engineering Contracts for the Repair and Maintenance of Potable Water, Individual Heating Systems and District Heating and Engineering Installations to T Brown Group Ltd and OCO Ltd (as detailed in paragraph 12) for a period of six (6) months from 1 October 2015 at a total combined estimated value of £3.9 million.</p>			
<p>Elephant Jobs</p> <p>The deputy leader and cabinet member for communities, employment and business agreed the withdrawal of the remaining Community Capacity Grant Funding for 2014/15 of £20,613.75 to Elephant Jobs for the running of the Aylesbury Access Centre and designated an amount of £4,748.61 to meet the costs of outstanding utility and security debts for which Elephant Jobs is liable with approval of a further one-off maximum amount of £2,500 set aside in contingency for further costs with the same suppliers to reduce the potential</p>	<p>30.07.2014 (Urgent Implementation)</p> <p>Councillor Gavin Edwards, Chair of Overview and Scrutiny Committee</p>	<p>The organisation was in receipt of funding of £27,485 from the Community Capacity grants programme in 2014/15 for the cost of salaries and premises. Due to concerns about the organisation, the decision could not be delayed.</p>	<p>01.08.2014</p>

REPORT TITLE/DECISION SUMMARY	DATE AND MEMBER WHO AGREED TO SPECIAL URGENCY / URGENT IMPLEMENTATION	REASON FOR URGENCY	DATE DECISION AGREED
<p>impact on 2 other organisations based in the Aylesbury Access Centre.</p>			
<p>Southwark Scholarship Scheme - 2014 Academic Year Awards</p> <p>The cabinet member for children and schools agreed that 11 people (listed in the closed report) be awarded a scholarship for the duration of their university studies, subject to the conditions of the Southwark Scholarship scheme.</p> <p>The cabinet member also agreed that an additional scholarship student (listed in the closed report) be supported under the terms of the Southwark Scholarship scheme, to be funded by St Olave's United Charity Trust.</p>	<p>18.09.2014 (Urgent Implementation)</p> <p>Councillor Gavin Edwards, Chair of Overview and Scrutiny Committee</p>	<p>A formal decision was critical in order that letters of sponsorship could be provided to the individuals and their University at the commencement of their studies, in order to avoid them having to enter into a contractual loan agreement.</p>	<p>19.09.2014</p>
<p>Extension of Awards and Grants to Substance Misuse Treatment Services</p> <p>The cabinet member for environment, recycling, community safety and volunteering approved the extension of grant awards the named substance misuse treatment providers set out in the report.</p> <p>The cabinet member for environment, recycling, community safety and volunteering noted that the</p>	<p>30.09.2014 (Urgent Implementation)</p> <p>Councillor Gavin Edwards, Chair of Overview and Scrutiny Committee</p>	<p>A delay would impact on the ability to confirm the continuation of service provision from 1 October 2014 and payment to providers.</p>	<p>01.10.2014</p>

REPORT TITLE/DECISION SUMMARY	DATE AND MEMBER WHO AGREED TO SPECIAL URGENCY / URGENT IMPLEMENTATION	REASON FOR URGENCY	DATE DECISION AGREED
<p>substance misuse treatment system is in the process of transformational redesign with targeted work being undertaken with existing service providers to respond to the direction of travel.</p>			
<p>Waiving of Car Parking Charges to Support on Small Business Saturday (6 December) and Christmas Trading (13 & 20 December 2014)</p> <p>The cabinet member for regeneration, planning and transport agreed to the waiving of all car parking charges across the whole borough on Small Business Saturday (Saturday 6 December) and Saturday 13 and 20 December 2014.</p>	<p>28.11.2014 (Urgent Implementation)</p> <p>Councillor Gavin Edwards, Chair of Overview and Scrutiny Committee</p>	<p>In order to meet the deadline of delivering the operational changes in the parking service by the 6 December it was not possible for consideration of the officer report through the normal processes.</p>	<p>02.12.2014</p>
<p>Cash Incentive Scheme to Assist Secure Tenants Vacating Maydew House Permanently</p> <p>The cabinet member for housing agreed that the Cash Incentive Scheme (CIS) previously agreed on 20 January 2011 be extended for three tenants of Maydew House.</p> <p>The cabinet member for housing also agreed that the scheme be funded from within existing CIS capital resources and that the applications must be received within two weeks of the decision becoming implementable.</p>	<p>07.01.2015 (Urgent Implementation)</p> <p>Councillor Gavin Edwards, Chair of Overview and Scrutiny Committee</p>	<p>An urgent decision was required to obtain vacant possession of the block by the end of January 2015 to commence the refurbishment works.</p>	<p>09.01.2015</p>

REPORT TITLE/DECISION SUMMARY	DATE AND MEMBER WHO AGREED TO SPECIAL URGENCY / URGENT IMPLEMENTATION	REASON FOR URGENCY	DATE DECISION AGREED
<p>Aylesbury Regeneration – Early Activation of 57-76 Northchurch</p> <p>The cabinet member for regeneration, planning and transport approved the re-phasing of 57-76 Northchurch, from Phase 3 of the existing Aylesbury regeneration programme and into Phase 2 for immediate rehousing.</p>	<p>16.02.2015 (Urgent Implementation)</p> <p>Councillor Gavin Edwards, Chair of Overview and Scrutiny Committee</p>	<p>To mitigate the impact on local residents.</p>	<p>17.02.2015</p>
<p>Proposed Local Authorities (Functions and Responsibilities) (England) Regulations 2015 – Open Consultation</p> <p>The leader of the council approved the response to the Proposed Local Authorities (Functions and Responsibilities) (England) Regulations 2015 consultation.</p>	<p>06.03.2015 (Urgent Implementation)</p> <p>Councillor Gavin Edwards, Chair of Overview and Scrutiny Committee</p>	<p>The closing date for the consultation was 6 March 2015 and the response needed to be submitted by that date to be considered by DCLG.</p>	<p>06.03.2015</p>

Item No. 8.1	Classification: Open	Date: 25 March 2015	Meeting Name: Council Assembly
Report title:		Pay Policy Statement	
Ward(s) or groups affected:		All	
From:		Chief Executive	

RECOMMENDATION

1. That the council's pay policy statement, as set out in Appendix 1, be agreed.

BACKGROUND INFORMATION

2. The Localism Act 2011 sets down requirements on authorities to prepare pay policy statements on an annual basis. These statements must describe an authority's policy for the pay of its workforce and be agreed annually in advance of the coming financial year. The Department of Communities and Local Government published initial guidance for local authorities on preparing their statements, which they further supplemented in February 2013, and has been taken into account in developing the pay policy statement given in Appendix 1.

KEY ISSUES FOR CONSIDERATION

3. Pay statements must be published and thus open to public scrutiny. Under the Localism Act, the statement must describe specific elements of remuneration paid to chief officers. The roles of chief officers are defined and accord with the descriptions used in the Local Government & Housing Act 1989, these being:
 - The head of the authority's paid service designated under section 4(1) of the Act
 - Its monitoring officer designated under section 5(1) of that Act
 - A statutory chief officer mentioned in section 2(6) of that Act
 - A non-statutory chief officer mentioned in section 2(7) of that Act
 - A deputy chief officer mentioned in section 2(8) of that Act.
4. Nothing in the Act supersedes existing responsibilities and duties placed on authorities in their role as employers. Each local authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate. Instead, the Act focuses on requiring authorities to be more open about their policies and how decisions are made.
5. The Act does not require authorities to publish specific salary data as part of the pay policy statement. Doing so risks data being out of date where any pay awards apply. The declaration of specific salary information is managed by the publication of the statement of accounts and other information under data transparency arrangements. Such specific information is published on the council's website.

6. Appendix 1 to this report sets out the proposed pay statement for agreement by council assembly. This reflects the scope of the posts to be captured and the range of information to be included; as defined in the Act. It should be noted that following publication of pay policies statements in 2012 there was a public debate on whether the statement should include the ratio of earnings between the highest paid employee and other employees. There is no requirement to do so in the Act. The Local Government Data Transparency Regulations 2014 have subsequently moved the issue on. These regulations require that councils publish the pay multiplier, defined as the ratio between the highest paid taxable earnings for the given year and the median taxable earnings figure of the whole of the authority's workforce. As per the regulations this to coincide with reporting at the end of the financial year and in Southwark will be published on the council's website. An initial assessment, using basic salary (January 2015), shows that the ratio between the top earner and median earnings to be 6.19 to 1; this is low compared to other public bodies which have reported such data.
7. Subject to council assembly's agreement it is proposed to again publish the pay policy statement on the Southwark website as part of open data. For the purpose of this report Appendix 3 gives the council's salary and grading structure for April 2015. This reflects the National Joint Council for Local Government Employees pay award which covers the period for 2014-16 and consolidates the London Living Wage rate as the minimum spinal column point. This grading structure delivers cabinet's decision of 30 July 2013 that those earning less than £21,000 (full time equivalent) should at minimum receive an annual increase in pay of £250.
8. From 1 April 2013 there was a statutory transfer of public health staff into the council. Under the transfer scheme, with TUPE like protection, existing employees retain their NHS salaries and core national, primarily pay related, terms and conditions of employment. There are different protected terms of employment, complicated by additional personal entitlements and supplementary payments. The role of Director of Public Health is defined as a chief officer. The actual earnings of this post holder will be published in the annual statement of accounts. When all allowances are taken into account, the earnings of the director of public health are equivalent to other chief officers. For the purpose of this statement; the salary range and key pay characteristics of this post and the assistant directors of public health are described as "other information" to the pay policy statement.

Top managers

9. The pay policy statement is primarily concerned with the salary arrangements of chief officers as defined in the Local Government & Housing Act 1989 (as above). In Southwark this cadre of posts forms the top management team of the council.
10. As part of the budget reductions for year 2015/16, the facility to award performance related pay has been removed as part of an efficiency saving. This was a contractual entitlement and replaced by a compensatory increase in basic pay (calculated as a proportion of the performance related pay entitlement). In future performance will only be rewarded through award of incremental progression based on clear achievement.

New employees

11. Members will note that the proposed pay policy statement (Appendix 1) also makes specific reference to the salary package for staff newly appointed to top manager posts. The Localism Act has the impact of amending the Local Government Act 1972 (appointment of staff) as follows:

“A local authority’s power to appoint officers on such reasonable terms and conditions as the authority thinks fit is subject to section 41 of the Localism Act 2011 (requirement for determinations relating to terms and conditions of chief officers to comply with pay policy statement”.

12. Elected members have a special role in the appointment of chief officers and deputy chief officers as defined, whereby they must be given the opportunity to raise any well founded and material objection to appointment prior to an offer being made. As in previous years it is proposed that to meet requirements under the Localism Act, notification of an appointment includes confirmation of the salary package which attaches to the post and whether this accords with the council’s pay policy statement. Were the proposed salary package to be outside the current statement, this to be deemed as an amendment to the pay policy which requires explicit members’ approval.

Lowest paid employees

13. The Act requires the council to describe the relationship between the remuneration of its chief officers, and other staff and to define the “lowest-paid employees” adopted by the authority for the purposes of the statement. The specific information to be included on pay actuals is limited.
14. As described in the statement, the use of job evaluation and the grading structure is the method used to determine the relativities of posts across the Southwark structure. The council’s decision to adopt the London Living Wage rate sets the minimum pay rate for staff across the council. Employers’ participation in the London Living Wage is voluntary. The council’s commitment to adopt, aims to stop working Londoners from falling into poverty; making sure that the unemployed in London are better off in work than living on benefits. London Living Wage has been set at £9.15per hour (2015) compared to the national minimum wage of £6.50 per hour.

Policy implications

15. The statement is used as a method to articulate the council’s existing policy on remuneration, with specific details on top manager posts in particular. As such it does not amend or introduce new policy. Were current arrangements to be amended as a result of the development of the statement; the policy implications and contractual implications of doing so, would require review by cabinet.

Community impact statement

16. Development and publication of the pay policy statement is a useful step in increasing accountability and transparency of council business to the local community. This continues the trend of openness. It allows elected members, those who are directly accountable to the local community, to have input into how decisions on pay are made, particularly senior pay.

17. The equality analysis provided in Appendix 2 to this report clarifies that there are no adverse implications for people of protected characteristics. Publication of the statement accords with good practice of openness in pay arrangements.

Resource implications

18. There are no specific implications arising from the development and publication of the pay statement so far as this represents existing policy. Were future statements seeking agreement to move away from established arrangements it would be necessary to consider financial resources and the employment implications. Changes to individual's terms and conditions are likely to reflect a contractual change requiring consultation and due process in order to be lawful.
19. Publication of the pay statement as presented in Appendix 1 does not create conflict with the Data Protection Act as it does not contain information relating to a particular individual.

Consultation

20. The trade unions have been advised of the need to publish the statement and have been provided with a copy. As the statement is a method to articulate existing policy rather than a change, it is not part of the formal consultation process.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

21. Section 38 of the Localism Act ('the Act') requires a relevant authority to prepare a pay policy statement. Pursuant to section 43 of the Act a London borough is defined as a 'relevant authority'. The statement must set out an authority's policies towards a range of issues relating to the pay of its workforce including the remuneration of its chief officers; the remuneration of its lowest-paid employees; and the relationship between the pay of its chief officers and that of other employees. Chief officer is defined to include chief and deputy chief officers as defined in the Local Government and Housing Act 1989. The statement must state the definition of "lowest paid employees" adopted by the authority for the purposes of the statement and the authority's reasons for adopting that definition. Pay policy statements have to be prepared for each financial year; this began with year 2012/13.
22. The pay policy statement must also specifically cover the authority's policies relating to:
- The level and elements of remuneration for each chief officer (including salary, bonuses and benefits in kind)
 - Remuneration of chief officers on recruitment
 - Increases and additions to remuneration for each chief officer
 - The use of performance-related pay for chief officers
 - The use of bonuses for chief officers
 - The approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority
 - The publication of and access to information relating to remuneration of chief officers.

23. Section 39 of the Act states that an authority's pay policy statement must be approved by a resolution of the authority before it takes effect. This means that the resolution must be by full council before 31 March 2015. Following approval the statement must be published as soon as possible on the authority's website and in any other manner the authority thinks fit. An authority can amend its pay policy statement and any amendment must be made by a similar resolution.
24. In complying with its duties on the pay policy requirements relevant authorities in England must have regard to any guidance issued or approved by the Secretary of State. The Department of Communities and Local Government ('DCLG') has published guidance to help English authorities understand and comply with their new duties; this is entitled 'DCLG: Openness and accountability in local pay: Guidance under section 40 of the Localism Act'. The guidance sets out the key policy principles that underpin the pay accountability provisions.
25. Supplementary guidance was issued in February 2013. These were taken into account in preparing this statement.
26. The draft pay policy statement in Appendix 1 will enable the council to meet its obligations under sections 38 to 43 of the Act.
27. The Director of Legal Services notes that the change required under the Local Government Data Transparency Regulations on publication of the pay multiplier has been reflected in paragraph 6 of this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Communities & Local Government: Openness and accountability in local pay	Human resources Southwark Council 160 Tooley Street London SE1 2QH	Bernard Nawrat 020 7525 785
Localism Act – Sections 38 – 43	Human resources Southwark Council 160 Tooley Street London SE1 2QH	Bernard Nawrat 020 7525 7185

APPENDICES

No.	Title
Appendix 1	Southwark Council – Pay Policy Statement
Appendix 2	Equality Analysis
Appendix 3	Salary & Grading Structure

AUDIT TRAIL

Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Bernard Nawrat, Human Resources Director	
Version	Final	
Dated	12 March 2015	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director for Finance and Corporate Services.	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	13 March 2015	

APPENDIX 1

Southwark Council – Pay Policy Statement

The Localism Act 2011 requires the council to publish a pay policy statement for each financial year.

This statement relates to year 2015-16 and it is approved by Council Assembly.

Scope

The statement describes our policies towards the pay of top managers (referred to in the Act as “chief officers”) and our approach to the pay of our lowest paid employees. Provisions in the Act do not apply to the staff of local authority schools. Under the Act a “chief officer” is defined as:

- The head of the authority’s paid service designated under section 4(1) of the Local Government and Housing Act 1989
- Its monitoring officer designated under section 5(1) of that Act
- A statutory chief officer mentioned in section 2(6) of that Act
- A non-statutory chief officer mentioned in section 2(7) of that Act
- A deputy chief officer mentioned in section 2(8) of that Act.

In Southwark, this would apply to the Chief Executive, Strategic Directors and Divisional Heads. We refer to these as “top managers”. This includes the Director of Public Health and the Assistant Directors of Public Health who joined the council from NHS Public Health on 1st April 2013 under the transfer scheme, with TUPE like protection. As such, existing employees retain their NHS salaries and terms and conditions of employment. This approach is mandatory on the council. The characteristics of the pay packages of these postholders therefore differ from other top managers in the council. They are excluded from the description that follows; details on these postholders are noted in “Supplementary information – Public Health” below.

Remuneration

For existing top managers the term remuneration is used to describe salary, expenses and other monetary allowances or benefits.

The council does not employ top managers under a contract for services, (people who are self employed), and therefore remuneration for such arrangements is not described. All top manager employees are paid via the council's payroll with appropriate tax and National Insurance deductions made in accordance with HMRC regulations.

Salary

In Southwark posts, including top managers, are job evaluated using a single system (Hay) to determine the job size. All job evaluation results for top managers are scrutinized by independent experts at the Hay Group.

The job size determines a job’s placement against the pay spine, through a grading structure.

The pay spine is increased in accordance with pay award settlements determined by the National Joint Council for Local Authorities Services. The last pay award, agreed in 2014, covers the period 2014 to March 2016. In addition Southwark has introduced special arrangements for its lowest paid workers as described below. Were there any amendments, which are determined by the National Joint Council for Local Authorities Services, these will be applied to all relevant employees without further referral to council assembly.

Individual staff are paid within the grade. People may move through the grades by incremental progression; subject to how well they have performed.

Flexibility allows the payment of market factor supplements; subject to justification against external data and with annual review.

For posts grade 16 and above, specific benefits up to a financial cap may be taken in kind, (e.g. season ticket purchase, car leasing), or paid as an addition to salary. For top managers the annual financial value of such benefits in 2015/16 will be £3,468-£6,129; dependent on grade. The rates for car leasing have been frozen since 2006 and car leasing arrangements have been closed to top managers joining the organisation since 2007. Previous arrangements for Performance Related Pay have been replaced through proportionate enhancement of basic salaries; Because this is a contractual change requiring individual discussion there is a process of transition which runs into 2015/6 and may mean phased implementation. Pay rates in appendix 3 reflect the revised position.

Other Payments & Expenses

With the exception of standby payments made to a limited number of posts in social care, no additional allowances are paid to top managers.

Top managers are not eligible to receive overtime for excess hours worked. In line with all other (non teaching) staff their full time equivalent weekly hours are 36. However, for top managers the contract of employment states this as a minimum and individuals are required to do whatever hours are necessary to get the job done, with no additional payment. Where hours are worked outside "normal office hours"; top managers do not receive enhancements nor shift allowances which other staff on NJC conditions for Local Authorities Services may be entitled.

Top managers do not receive an expenses allowance. In line with all other staff, where essential expenses are incurred in the performance of their duties, costs can be reclaimed; where these are reasonable and public money is being used prudently.

Fees for election duties

Council staff can be employed on election duties of varying types. The fees paid to Council employees for undertaking these election duties varying according to the type of election they participate in, and the nature of the duties they undertake.

Returning Officer duties (and those of deputy returning officers) are contractual requirements and fees paid to them for national elections/referendums are paid in accordance with the appropriate Statutory Fees and Charges Order and are paid by the body responsible for the conduct of the election.

New Appointments

Top Managers joining the organisation:–

- Are paid on the grade for their post.
- Join at the bottom spinal column point of the grade; unless the person can demonstrate that payment above the minimum is essential to match current earnings, or to reflect the prevailing market, or to recognise experience and skills to secure engagement. No staff are paid above the grade maximum.
- Do not receive a lump sum payment on joining, sometimes referred to as “golden hellos”.
- May receive expenses relating to their home relocation where this is necessary to secure engagement.

Members have the opportunity to question all salary packages to be offered as part of the recruitment to top manager posts.

Leaving the Organisation & Pensioners

Staff leaving the council on a voluntary resignation basis do not receive a severance payment.

Top managers leaving the council on a voluntary resignation basis will receive no severance payment.

Where the council decides to terminate any employee’s service on the basis of redundancy in employment law terms this is based on the facts of the case, (deletion or diminution of the post). Payment entitlements are enshrined in the council policy on redeployment redundancy and reorganisation and comprise contractual entitlements, (notice unworked, leave not taken), plus redundancy element, in accordance with the statutory table. Payments are made as a multiple of an actual week’s pay. The council retains discretion to pay an additional compensation for loss of office with the aim of avoiding compulsory redundancies. Also for those aged 55 and over, under the pension regulations they become entitled to immediate pension as earned; any costs accruing to the Council for pension payments are capital costs based on an actuarial calculation linked to service and age. In total the cost of this entitlement may add up to more than £100k due to base salary, contract terms, age and length of service, although this would be rare. Entitlements are not discretionary to an individual once a redundancy situation arises.

Where the council decides to terminate any employee’s service on the basis of mutual termination on efficiency of the service grounds, the council calculates entitlements relying on the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and the pension regulation where over 55 years old. Should the cost of the total package exceed £100k, agreement will be obtained via council assembly or another properly constituted Member body, prior to finalisation

For top managers, where redundancy or mutual termination occurs information would be included in the declared salary data included in the Statement of Accounts each year. Were an employee’s services to be terminated on these bases the council would not re-engage the individual on a contract for services (i.e. self employed basis).

Vacant top manager posts are recruited to in accordance with the council's recruitment policy with the overarching aim of employing on merit; to engage the best person for the job.

New recruits may be in receipt of a pension under the Local Government Pension Scheme (LGPS) e.g. as a result of service with another Authority. In such cases, the employee's pension entitlement would be abated (reduced in accordance with actuarial calculation) or capped as required under LGPS regulations. This would have no impact on the council's remuneration arrangements.

Under the LGPS Regulations eligible employees may be considered for one of the Scheme's flexible retirement options. This would include instances where the employee reduces to a part time basis or demotion. On such occasions the council's remuneration arrangements would continue as described above plus any pension payable determined by application of LGPS Regulations and that person's membership entitlements.

Lowest Paid Staff

All posts are job evaluated to determine their relative job size; the responsibilities and impact of the post, and the level of knowledge and skill required to carry out those responsibilities. Job sizes are used to determine the grade. Grades are linked to the salary scale. Staff have the potential to move through the grades by incremental progression, based on performance.

Appropriate terms and conditions, e.g. shift allowances, reflect the duties and obligations of posts in accordance with the NJC for Local Authorities Services. There are a small number of posts under different national schemes – education related, craft and retained conditions e.g. Public Health. Bonus payments are not a feature of pay arrangements. Staff are contracted to work 36 hours per week (full time equivalent). Where service provision demands that it is necessary for additional hours to be worked above the full time equivalent, overtime rates would apply. Rates are determined in accordance with NJC Conditions of Service.

Notwithstanding the application of this framework the council has determined that no employee should receive an hourly rate less than the London Living Wage; for 2015/16 the London Living Wage is £9.15 per hour. This is the baseline payment for the lowest paid staff.

Other Information

1. In addition to this statement the council publishes other information on the detail of payments. Information can be found on the Open Data section of the council's website (www.Southwark.gov.uk). This includes:-

- The council's grading structure and salary scales.
- The annual statement of accounts. This includes the numbers of people earning £50,000 per year or more in £5,000 bandings. It includes schools. The accounts also give detail, including the name, for those whose pay is £150,000 or more. This covers all remuneration elements including employer's pension contribution.

In accordance with the Local Government Data Transparency Regulations 2014; to coincide with the reporting at the end of the financial year, the council will publish the ratio between the highest paid taxable earnings for the given year and the median earnings figure of the whole of the authority's workforce.

Supplementary Information Public Health

1. As noted previously in this statement, from 1 April 2013 a number of post holders transferred from NHS Public Health where the roles that they are performing for the council are captured by the definition of top managers under the Act. The Director of Public Health is a statutory role and a joint post that is shared with Lambeth Council with responsibilities across both Boroughs. The Director has four direct reports; three posts of Assistant Director, one post of Consultant in Public Health.
2. The transfer protected contractual terms and pay. Pay rates, grade ranges and scope for pay progression remain as at transfer. This is a legal requirement and not one which the council has the ability to change without going through a process of consultation and dismissal and re- engagement procedures. The option for the council to harmonise only arises two year after the transfer This is because at the point of transfer there was a nationally agreed Memorandum of Understanding effectively preventing local authorities from harmonising NHS terms and conditions such as pay, including sick and holiday pay, and any other terms and conditions where there are no local flexibilities. These were covered by national and contractual obligations and negotiated through national arrangements
3. The Director of Public Health and three of the direct reports, are medically qualified consultants on the Consultant Contract 2003. There are three more medically qualified consultants within the joint service. The body that determines salary scales / pay levels for medical consultants is the Doctors and Dentist Review Body (DDRB) and medically qualified staff are on the Consultant Contract (2003). The Director of Public Health's fourth direct report, a non medically qualified public health consultant Assistant Director, transferred on Agenda for Change terms and conditions. The [NHS Employers website](#) offers transparency for both
4. The Director of Public Health's salary comprises of the following elements:-
 - Basic -Grade range (YM66); [NHS Employers website](#)
 - London Weighting
 - On call
 - Programmed Activities (PAs), see below.
 - Clinical Excellence Awards
 - Director of Public Health Population Supplement.
5. Actual earnings of the Director of Public Health will be published in the council's annual statement of accounts. The total annual earnings of the four reports to the Director will not be listed individually but for information:-
 - The actual contractual hours of these post holders range from 24 hours per week to 40 hours per week.

- Based on contractual hours and variable elements, noted below, total annual gross earnings range from £64,715 - £121,076.
6. The key features of the consultant contract that relate to pay are:
- **Programmed Activities (PAs)**. The contract is based on a number of PAs with provision for additional PAs that attract additional funding and are represented in additions to base salary. These are not pensionable.
 - **On Call**. There is provision for 'on call' premium rate payments which are in recognition of the unsociable nature of work falling outside the period of 7 am to 7 pm Monday to Friday and any time on a Saturday, Sunday or public holiday. The rate varies between 1% and 8% basic salary. Depending on the frequency of the duty and whether a call may require return to work
 - **Clinical Excellence Awards (CEAs)** are given to recognise and reward the exceptional contribution of NHS consultants, over and above that normally expected in a job, to the values and goals of the NHS and to patient care. Information on the Clinical Excellence Awards Scheme for consultants can be found on the [Advisory Committee on Clinical Excellence Awards \(ACCEA\)](#) website.
 - **Pay progression** for medical consultants through the pay thresholds is determined by the number of years as a consultant at the appropriate threshold. Incremental progression is by virtue of years of service on start date anniversary and includes steps where staff mark time and receive no additional monies. Progression is served and at the discretion of the Director of Public Health.
7. The Assistant Director on [Agenda for Change](#) conditions, receives a High Cost Area Supplement (£6279 per annum) in accordance with Agenda for Change terms and conditions. There is no further scope for pay progression for this Assistant Director who is on scale maximum

APPENDIX 2**EQUALITY ANALYSIS – PAY POLICY STATEMENT****Overview**

1. The Localism Act 2011 requires Authorities to develop and publish a pay policy statement. This would include the remuneration arrangements for its most senior staff and approaches on remuneration to its lowest paid employees.

Impact

2. The development and publication of the pay statement does not in itself amend policy. Were changes to arise as a consequence, proposals would require scrutiny including the impact upon people of different protected characteristics.

3. The publication of the pay statement does however accord with good practice on managing equal pay; increasing transparency on organisational arrangements. There are no adverse impacts on people of specific protected characteristics arising from this development. Instead it may reasonably be argued that greater openness may reduce the fear of potential discrimination by setting out arrangements which are in force.

4. On a continuing basis the council undertakes monitoring of its workforce to identify and take action to address potential adverse impacts on people of specific protected characteristics. Monitoring data is published on the council's website through the annual workforce report, in accordance with the specific duties of the Equality Act 2010.

Appendix 3 -SALARY & WAGES SCALES 2015/16													
Inner London												JNC Southwark	
		01		02		03		04		05		2	47373
						9	£17,439	13	£19,335	16	£20,367	3	48918
8	17175					10	£17,958	14	£19,644	17	£20,775	4	50514
9	17439			8	£17,175	11	£18,612	15	£19,977	18	£21,120	5	52155
10	17958			9	£17,439	12	£18,933	16	£20,367	19	£21,780	6	53871
11	18612			10	£17,958	13	£19,335	17	£20,775	20	£22,452	7	55638
12	18933	8	£17,175	11	£18,612	14	£19,644	18	£21,120	21	£23,145	8	57468
13	19335	9	£17,439	12	£18,933	15	£19,977	19	£21,780	22	£23,658	9	59349
14	19644	10	£17,958	13	£19,335	16	£20,367	20	£22,452	23	£24,252	10	61314
15	19977											11	63339
16	20367	06		07		08		09		10		12	65439
17	20775	20	£22,452	24	£24,936	28	£27,879	32	£31,323	36	£34,380	13	67596
18	21120	21	£23,145	25	£25,620	29	£28,845	33	£32,157	37	£35,253	14	69852
19	21780	22	£23,658	26	£26,337	30	£29,697	34	£32,964	38	£36,186	12a	£69,756
20	22452	23	£24,252	27	£27,108	31	£30,525	35	£33,579	39	£37,257	13a	£72,057
21	23145	24	£24,936	28	£27,879	32	£31,323	36	£34,380	40	£38,151	14a	£74,463
22	23658	25	£25,620	29	£28,845	33	£32,157	37	£35,253	41	£39,069	15	£76,935
23	24252	26	£26,337	30	£29,697	34	£32,964	38	£36,186	42	£39,981	16	£79,521
24	24936	27	£27,108	31	£30,525	35	£33,579	39	£37,257	43	£40,896	17	£82,161
25	25620											18	£84,912
26	26337	11		12		14		15		16		19	£87,756
27	27108	40	£38,151	44	£41,811	2	£47,373	7	£55,638	12a	£69,756	20	£90,696
28	27879	41	£39,069	45	£42,672	3	£48,918	8	£57,468	13a	£72,057	21	£93,744
29	28845	42	£39,981	46	£43,620	4	£50,514	9	£59,349	14a	£74,463	22	£96,909
30	29697	43	£40,896	47	£44,544	5	£52,155	10	£61,314	15	£76,935	23	£100,161
31	30525	44	£41,811	48	£45,462	6	£53,871	11	£63,339	16	£79,521	24	£103,551
32	31323	45	£42,672	49	£46,359	7	£55,638	12	£65,439	17	£82,161	25	£107,052
33	32157	46	£43,620	50	£47,283	8	£57,468	13	£67,596	18	£84,912	26	£110,664
34	32964	47	£44,544	51	£48,207	9	£59,349	14	£69,852	19	£87,756	27	£114,414
35	33579											28	£118,281
36	34380	17		18		Chief Officer		Chief Executive				29	£122,310
37	35253	17	£82,161	22	£96,909	31	£134,919	38	£170,655			30	£129,240
38	36186	18	£84,912	23	£100,161	32	£139,521	39	£176,196			31	£134,919
39	37257	19	£87,756	24	£103,551	33	£144,264	40	£181,926			32	£139,521
40	38151	20	£90,696	25	£107,052	34	£149,187	41	£187,839			33	£144,267
41	39069	21	£93,744	26	£110,664	35	£154,269	42	£193,944			34	£149,190
42	39981	22	£96,909	27	£114,414	36	£159,537					35	£154,269
43	40896	23	£100,161	28	£118,281	37	£164,997					36	£159,537
44	41811	24	£103,551	29	£122,310	38	£170,655					37	£164,997
45	42672											38	£170,653
46	43620											39	£176,196
47	44544											40	£181,926
48	45462											41	£187,839
49	46359											42	£193,944
50	47283	Planned Overtime per hr				sleeping in		unit standby					
51	48207	grade 9	£	19.80	£ 34.00		£ 9.03						
52	49128	grade 10/11	£	21.21									
53	50064	grade 12	£	23.01									
54	51045												
55	52041												
On SAP these grades will be prefixed LBS-0. Grades prefixed LBS-1 are for w/e working where +2 SCP apply													

Item No. 8.2	Classification: Open	Date: 25 March 2015	Meeting Name: Council Assembly
Report title:		Annual Report on the Work and Performance of the Audit and Governance Committee in 2014/15	
Ward(s) or groups affected:		All	
From:		Audit and Governance Committee	

RECOMMENDATION

1. That council assembly note the work and performance of the audit and governance committee in 2014/15.

BACKGROUND INFORMATION

2. The audit and governance committee's terms of reference include a requirement to report annually to council assembly on its work and performance during the year.
3. The aims of the report are to make council aware of the audit and governance committee's work in relation to its audit, regulatory, financial reporting and treasury management responsibilities and to provide assurance on areas covered or to identify any concerns.
4. The purpose of this report is to review the audit and governance committee's work and performance in 2014/15. The audit and governance committee considered its annual report on 23 February 2015 and subject to an update to take account of that meeting, which has been incorporated, agreed to refer it to council assembly.
5. This report also considers the effectiveness of the audit and governance committee which forms a part of the review of internal audit and which will in turn be reported as part of the review of the system of internal control, as required under the Accounts and Audit Regulations 2011.

KEY ISSUES FOR CONSIDERATION

Role of the committee

6. The purpose of the audit and governance committee is to provide
 - Independent assurance of the adequacy of the council's governance arrangements, including the risk management framework and the associated control environment
 - Independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment
 - Oversight of the financial reporting process
 - Scrutiny of treasury management strategy and policies.

7. In line with the above, the committee's terms of reference are structured by reference to its four key functions in terms of audit activity, the regulatory framework, the accounts and treasury management. The committee agrees a work programme for each year which is also structured in the same way.

Audit Activity

Internal Audit

8. The committee received and considered regular reports on the performance of internal audit and the outcome from its work during the year and also the head of anti-fraud and internal audit's annual report on the work of internal audit and anti-fraud 2013/14. Members had questions for both officers and the engagement manager for the auditors, Baker Tilly.
9. The committee agreed the internal audit plan for 2015/16 and an updated strategy for internal audit for 2015/16 – 2019/20.

External Audit

10. The committee received regular progress reports from the external auditor (Grant Thornton) throughout the year. It also considered Grant Thornton's audit plans for 2013/14 for both the council and the Southwark pension fund and for 2014/15 in respect of the council, their audit findings reports and annual audit letter for 2013/14 and their findings from the certification of claims and returns for 2013/14.
11. The committee considered the external auditor's annual fee letters for 2014/15 for both the council and the Southwark pension fund. Grant Thornton also reported to the committee on their review of the council's arrangements for securing financial resilience and on assurance work undertaken by them as to management processes and the committee's oversight of the risk of fraud, compliance with laws and regulation, and matters in relation to going concern, to inform their audit risk assessment.
12. Progress on the implementation of recommendations made by external audit was included in a report to the committee in November 2014.

Accounts

13. The committee considered a draft of the 2013/14 statement of accounts at its July 2014 meeting and formally approved them at its meeting in September 2014.

Regulatory framework

14. As with the statement of accounts, the committee reviewed the annual governance statement for 2013/14 at its July 2014 meeting and approved it at its September 2014 meeting. The committee asked officers to make it aware in advance of any future reviews of the council's directorates that were relevant to the committee's remit.
15. Following the committee's decision four years ago to invite strategic directors, and since 2013/14 other key governance players, to attend meetings to report on

governance arrangements in their departments, during the year the strategic director of finance and corporate services, the chief executive and the leader attended meetings. Members asked questions about particular aspects of their arrangements. For the coming year, the committee agreed that it would like to consider a themed approach to governance to enable it to consider an issue from a range of angles.

16. During the year, the committee received an annual report on the work of the corporate risk and insurance team for 2013/14 and also a report on the council's top risks.
17. The committee received its annual report on whistle blowing outcomes and asked officers to review whether this might be enhanced to help members to provide further assurance in the future as to the operation of the whistle blowing policy.
18. At their request, members of the committee received further information in respect of several matters during the year. These were the total number of outstanding national non domestic rates appeals raised before 1 April 2013, the number of highways-related public liability insurance claims in 2013/14, including common factors and the number of resolved claims, and the governance arrangements in respect of the council's IT contract.

Treasury Management

19. Members received a report on the 2014/15 treasury management strategy which had been approved by council assembly in February 2014 and sought clarification and assurance from officers on a number of points.

Effectiveness of the Audit and Governance Committee

20. The Accounts and Audit Regulations require a review of internal audit to be carried out, including consideration of the effectiveness of the audit and governance committee. This will be carried out later in the year and the results will be brought to a future meeting of the audit and governance committee.
21. To complement this, the audit and governance committee assessed itself using a checklist produced by CIPFA. The completed checklist is attached at appendix 1. The committee was advised that the checklist should be considered as part of the review of internal audit and that it would need to consider the findings of the review alongside the annual governance statement later in the year.
22. The completed checklist confirms that there are no significant areas of concern in relation to the committee's effectiveness. However, it highlights that training is an area that members may wish to continue to keep under review.

Training

23. Following the council elections in May 2014, a number of new members joined the committee and introductory/refresher sessions on the work and responsibilities of the committee were offered in summer 2014.
24. During the year, information on relevant issues and developments was provided through the CIPFA Better Governance Forum's 'Audit Committee Update' which is published three times a year. These focus on key topics and include a round-

up of legislation, reports and developments and are circulated to all members of the committee for their information.

25. A briefing session on the statement of accounts was offered to members of the committee in September 2014 prior to the committee's approval of them.
26. The self-assessment checklist (see above) identified that training will be provided as required and officers will continue to arrange training as opportunities arise.

Development Opportunities

27. The audit and governance committee has now been in place for eight years. The management of its agenda in order to ensure that it can focus its resources effectively remains one of the key challenges for the future.
28. The year saw the following principal achievements:
 - Coverage of all elements of the committee's work programme, notwithstanding the impact on the schedule of meetings arising from the council election in May 2014 and the forthcoming general election in May 2015
 - Continued assurance of departmental and corporate governance arrangements, which included attendance by the chief executive and the leader of the council
 - Ongoing constructive challenge from members in respect of reports received by them.
29. For the coming year, the following are areas where the committee has the opportunity to effect further development or to which it may wish to give consideration:
 - Implications of the Local Audit and Accountability Act 2014 in respect of future local audit arrangements and their potential impact on the role of the committee
 - Impact of welfare reform and further cuts in government funding from a governance perspective and, in particular, the identification of risk and ongoing risk management
 - Consideration of how the committee might provide further assurance in relation to the council's whistle blowing policy
 - Consideration of thematic governance issues over a period of, say, twelve months, with a view to identifying and sharing best practice
 - Future training needs.

Conclusion

30. The committee's work programme aims to ensure that the committee is able to carry out its functions effectively. To this end, the programme is structured to cover the key areas of audit activity, the regulatory framework, financial reporting and scrutiny of the treasury management strategy and policies.
31. The committee continued to ask questions on matters before it in a challenging yet constructive way. In some cases, this has resulted in further information being provided to the committee to provide the assurance sought; in others, in others, it has resulted in increased focus on the implementation of action plans.
32. The committee kept its work programme under review in 2014/15 and made

changes when appropriate.

33. Through its work, the committee is able to confirm that
- The council's system of risk management is adequate to identify risk and to allow the authority to understand the appropriate management of those risks;
 - There are no areas of significant duplication or omission in the systems of governance in the authority that have come to the committee's attention and not been adequately resolved.
34. The draft work programme for the committee for 2015/16 was included on the committee's February 2015 agenda and, following discussion of it, will be considered further at the committee's next meeting. It will then be reviewed and amended on an ongoing basis if necessary to help to ensure that the committee can continue to provide assurance of the adequacy of the council's governance arrangements.

Policy implications

35. There are no policy implications in the proposals in this report.

Community impact statement

36. This report is not considered to contain any proposals that would have a significant impact on any particular community or group.

Resource implications

37. There are no direct resource implications in this report.

Consultation

38. There has been no consultation on this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Corporate Services

39. The strategic director of finance and corporate services remains mindful of the important role of the audit and governance committee and pleased that it continues to function in line with its terms of reference. It is noted that the performance of the committee has been strengthened by the attendance of key governance players and it is expected that the committee will continue to obtain assurance of governance arrangements from these interviews.
40. It is noted that the committee requested and received specific reports on relevant matters through the year and it is anticipated that this will continue from time to time. The additional scrutiny of governance that this adds to the organisation is welcomed. The committee is aware of the Local Audit and Accountability Act and the need to consider its implications for the future in due course.
41. In 2015/16 there will be a number of factors which will require special scrutiny across the finance function. Some of these will be of interest to the committee, not least the need to further restructure the professional finance and accounting functions in order to achieve a reduction in costs in line with the budget priorities,

which focus on the protection of front line services. The forthcoming shortening of timescales for the closing of accounts will therefore be in the context of inevitable staffing reductions as well as the impact of ongoing audit fee reductions on the extent and experience of external resources available.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Self-assessment of Good Practice

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
Report Author	Jo Anson, Head of Financial and Information Governance	
Version	Final	
Dated	6 March 2015	
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	Yes	Yes
Cabinet Member	No	No
Date final report sent to Constitutional Team	12 March 2015	

Self-assessment of Good Practice

Question	Yes	No	Partly	Comments/action	
Audit committee purpose and governance					
1	Does the authority have a dedicated audit committee?	✓			
2	Does the audit committee report directly to full council?	✓			
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	✓			
4	Is the role and purpose of the audit committee understood and accepted across the authority?	✓			
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	✓			
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	✓			
Functions of the committee					
7	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?				
	- good governance	✓			
	- assurance framework	✓			
	- internal audit	✓			
	- external audit	✓			
	- financial reporting	✓			
	- risk management	✓			
	- value for money or best value	✓			
	- counter-fraud and corruption.	✓			
8	Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	✓			
9	Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?				
	- considering matters at the request of other committees or statutory officers	✓			Included within committee's terms of reference.

Question		Yes	No	Partly	Comments/action
	- ethical values	✓			Receives annual report on whistleblowing.
	- treasury management	✓			Included within committee's terms of reference.
10	Where coverage of core areas has been found to be limited, are plans in place to address this?				N.A.
11	Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its purpose?	✓			
Membership and support					
12	Has an effective audit committee structure and composition of the committee been selected? This should include: - separation from the executive - an appropriate mix of knowledge and skills among the membership - a size of committee that is not unwieldy - where independent members are used, that they have been appointed using an appropriate process.	✓			No more than 1 member may also be a member of cabinet (and that member cannot chair this audit and governance committee). Members have brought a range of skills and knowledge to bear on the committee's consideration of matters before it. Size of committee strikes balance between being unwieldy and ensuring appropriate mix of knowledge and skills.
13	Does the chair have appropriate knowledge and skills?	✓			
14	Are arrangements in place to support the committee with briefings and training	✓			As noted in the body of the report, introductory training was made available to new members following the election in May 2014 and ongoing training and briefings are provided as opportunities/needs arise.
15	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	✓			Members were asked to provide information on joining the committee and induction and other training/briefings have been provided as opportunities/needs have arisen.

Question		Yes	No	Partly	Comments/action
16	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	✓			
17	Is adequate secretariat and administrative support to the committee provided?	✓			
Effectiveness of the committee					
18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?				See paragraph 39-41 of the main report. The committee is to consider how it might obtain further feedback from those interacting with it
19	Has the committee evaluated whether and how it is adding value to the organisation?	✓			
20	Does the committee have an action plan to improve any areas of weakness?	✓			The committee identifies areas for development each year as part of its annual review of its performance.

Item No. 8.3	Classification: Open	Date: 25 March 2015	Meeting Name: Council Assembly
Report title:		Council Calendar 2015/16	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

RECOMMENDATION

1. That the calendar of council meetings for the 2015/16 municipal year as shown at Appendix 1 be noted.

BACKGROUND INFORMATION

2. Council assembly on 25 February 2015 approved its meeting dates for the next municipal year. This was in line with council assembly procedure rules which requires that meetings shall take place on such dates as agreed by council assembly.
3. Following the approval of the council assembly dates last month, the calendar of meetings for the coming year is now presented to give members notice of forthcoming dates.

KEY ISSUES FOR CONSIDERATION

4. A calendar of council meetings for the 2015/16 municipal year ahead has been prepared and is shown at Appendix 1.
5. The calendar includes the dates for school holidays, party conferences and other committed dates. Due to business demands of the service, certain meetings will meet more frequently e.g. cabinet, overview and scrutiny committee and planning committee. Cabinet procedure rule 2.1 requires that the cabinet should meet at least ten times per year; therefore cabinet meetings are scheduled in line with this requirement. Scrutiny sub-committees are included in the draft calendar, pending their establishment by the overview and scrutiny committee.
6. In respect of meetings other than council assembly, this calendar is subject to amendments, additions and cancellations. The calendar is regularly updated throughout the year and is published on the council's website.

Community impact statement

7. This decision has been judged to have no impact on local people and communities.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Constitution	Constitutional Team 160 Tooley Street, London SE1 2QH	Lesley John 020 7525 7225
http://www.southwark.gov.uk/info/10058/about_southwark_council/375/councils_constitution		

APPENDICES

Appendix	Title
Appendix 1	Council Calendar 2015/16

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager	
Report Author	Lesley John, Constitutional Officer	
Version	Final	
Dated	12 March 2015	
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	No	No
Date final report sent to Constitutional Team	12 March 2015	

APPENDIX 1

DRAFT COUNCIL CALENDAR 2015/16

	Tue	28	Planning Sub-Committee A		1900		
	Wed	29					
	Thur	30					
May-15	Fri	1					
	Sat	2					
	Sun	3					
	Mon	4	Bank Holiday				
	Tue	5					
	Wed	6					
	Thur	7		GENERAL ELECTION			
	Fri	8					
	Sat	9					
	Sun	10					
	Mon	11	Group Meetings		1900		
	Tue	12	Cabinet		1600		
			Planning Sub-Committee B		1900		
	Wed	13					
	Thur	14					
	Fri	15					
	Sat	16	Council Assembly - Annual Meeting (Mayor Making/Constitutional - to be held jointly with the Civic Association's Civic Awards Ceremony)	Venue: Southwark Cathedral			
	Sun	17					
	Mon	18					
	Tue	19	Planning Committee	* - Note: To establish any sub-committees and appoint chairs and vice-chairs	1900		
	Wed	20	Overview & Scrutiny Committee	* - Note: To establish any sub-committees and appoint chairs and vice-chairs	1900		

DRAFT COUNCIL CALENDAR 2015/16

	Thur	21				
	Fri	22				
	Sat	23				
	Sun	24				
	Mon	25	Bank Holiday	HALF TERM		
	Tue	26				
	Wed	27				
	Thur	28				
	Fri	29				
	Sat	30				
	Sun	31				
Jun-15	Mon	1	Group Meetings		1900	
	Tue	2	Cabinet		1600	
			Planning Committee		1900	
	Wed	3	Community Council Chairs and Vice-Chairs			
	Thur	4			1900	
	Fri	5				
	Sat	6				
	Sun	7				
	Mon	8			1900	
	Tue	9	Constitutional Steering Panel		18	
	Wed	10	Planning Sub-committee A		1900	
	Thur	11				
	Fri	12				
	Sat	13				
	Sun	14				
	Mon	15	Overview and Scrutiny Committee		1900	
	Tue	16	Audit and Governance Committee		1900	
	Wed	17			1900	
	Thur	18				
	Fri	19				
	Sat	20				
	Sun	21				
	Mon	22	Standards Committee		1900	
			Scrutiny Sub-Committee 1		1900	
	Tue	23	Cabinet		1600	

DRAFT COUNCIL CALENDAR 2015/16							
	Wed	24	Dulwich Community Council		1900		
			Bermondsey and Rotherhithe Community Council		1900		
	Thur	25					
	Fri	26					
	Sat	27					
	Sun	28					
	Mon	29	Group meetings		1900		
	Tue	30		LGA ANNUAL CONFERENCE/EXHIBITION	1900		
			Scrutiny Sub-Committee 2		1900		
Jul-15	Wed	1	Licensing Committee		1900		
			Planning Sub-Committee B		1900		
	Thur	2					
	Fri	3					
	Sat	4					
	Sun	5					
	Mon	6	Peckham and Nunhead Community Council		1900		
	Tue	7	Scrutiny Sub-Committee 3		1900		
	Wed	8	Council Assembly		1900		
	Thur	9					
	Fri	10					
	Sat	11					
	Sun	12					
	Mon	13	Corporate Parenting Committee		1400		
			Overview and Scrutiny Committee		1900		
	Tue	14	Planning Committee		1900		
	Wed	15	Camberwell Community Council		1900		
			Borough, Bankside and Walworth Community Council		1900		
	Thur	16					

DRAFT COUNCIL CALENDAR 2015/16							
	Fri	17					
	Sat	18					
	Sun	19					
	Mon	20	Audit and Governance Committee	SCHOOL HOLIDAYS	1900		
	Tue	21	Cabinet		1600		
			Planning Sub-Committee A		1900		
	Wed	22					
	Thur	23					
	Fri	24					
	Sat	25					
	Sun	26					
	Mon	27					
	Tue	28					
	Wed	29					
	Thur	30					
	Fri	31					
Aug-15	Sat	1					
	Sun	2					
	Mon	3					
	Tue	4					
	Wed	5					
	Thur	6					
	Fri	7					
	Sat	8					
	Sun	9					
	Mon	10					
	Tue	11					
	Wed	12					
	Thur	13					
	Fri	14					
	Sat	15					

DRAFT COUNCIL CALENDAR 2015/16							
	Sun	16					
	Mon	17					
	Tue	18					
	Wed	19					
	Thur	20					
	Fri	21					
	Sat	22					
	Sun	23					
	Mon	24					
	Tue	25					
	Wed	26					
	Thur	27					
	Fri	28					
	Sat	29					
	Sun	30					
	Mon	31	BANK HOLIDAY				
Sep-15	Tue	1					
	Wed	2					
	Thur	3					
	Fri	4					
	Sat	5					
	Sun	6					
	Mon	7	Overview and Scrutiny Committee			1900	
			Planning Sub-Committee B			1900	
	Tue	8	Scrutiny Sub-Committee 1			1900	
			Planning Committee			1900	
	Wed	9	Camberwell Community Council			1900	
			Dulwich Community Council			1900	
	Thur	10					
	Fri	11					
	Sat	12					
	Sun	13					
	Mon	14	Group Meetings			1900	
	Tue	15	Cabinet			1600	
			Audit and Governance Committee			1900	
			Scrutiny Sub-Committee 2			1900	
	Wed	16	Borough, Bankside and Walworth Community Council			1900	

DRAFT COUNCIL CALENDAR 2015/16							
			Peckham and Nunhead Community Council			1900	
	Thur	17					
	Fri	18					
	Sat	19		Liberal Democrats Party Conference			
	Sun	20					
	Mon	21					
	Tue	22					
	Wed	23	Licensing Committee			1900	
	Thur	24					
	Fri	25					
	Sat	26					
	Sun	27		Labour Party Conference			
	Mon	28					
	Tue	29					
	Wed	30					
Oct-15	Thur	1					
	Fri	2					
	Sat	3					
	Sun	4		Conservative Party Conference			
	Mon	5	Groups Meetings			1900	
	Tue	6	Planning Committee			1900	
	Wed	7	Scrutiny Sub-Committee 3 Planning Sub-Committee A			1900	
	Thur	8					
	Fri	9					
	Sat	10					
	Sun	11					
	Mon	12	Bermondsey and Rotherhithe Community Council			1900	
	Tue	13				1900	
	Wed	14	<i>Council Assembly (tbc)</i>	<i>Provisional date, subject to agreement to hold a Leader's Public Question Time</i>		1900	
	Thur	15					
	Fri	16					
	Sat	17	<i>Leaders' Public Questions Time (tbc)</i>	<i>Provisional date only. Alternative date is 14 Oct 2015.</i>			
	Sun	18					
	Mon	19	Community Councils Chairs and Vice-Chairs			1900	
	Tue	20	Cabinet			1600	

DRAFT COUNCIL CALENDAR 2015/16							
			Overview & Scrutiny Committee				
	Wed	21	Planning Sub-Committee B			1900	
			Scrutiny Sub-Committee 1			1900	
	Thur	22					
	Fri	23					
	Sat	24					
	Sun	25					
	Mon	26					
	Tue	27					
	Wed	28					
	Thur	29					
	Fri	30					
	Sat	31					
Nov-15	Sun	1					
	Mon	2	Corporate Parenting Committee			1400	
			Licensing Committee			1900	
	Tue	3	Planning Committee			1900	
	Wed	4	Constitutional Steering Panel			1800	
			Standards Committee			1900	
			Scrutiny Sub-Committee 2			1900	
	Thur	5					
	Fri	6					
	Sat	7					
	Sun	8					
	Mon	9	Scrutiny Sub-Committee 3			1900	
	Tue	10	Peckham and Nunhead Community Council			1900	
	Wed	11	Planning Sub-Committee A			1900	
			Audit and Governance Committee			1900	
	Thur	12					
	Fri	13					
	Sat	14					
	Sun	15					
	Mon	16	Group Meetings			1900	
	Tue	17	Cabinet			1600	
	Wed	18	<i>Borough, Bankside and Walworth Community Council (tbc)</i>	<i>ALTERNATIVE DATE: Sat 21 Nov 2015</i>		1900	
			<i>Camberwell Community Council (tbc)</i>	<i>ALTERNATIVE DATE: Sat 21 Nov 2015</i>		1900	
	Thur	19					
	Fri	20					

DRAFT COUNCIL CALENDAR 2015/16							
	Sat	21	<i>Borough, Bankside and Walworth Community Council (tbc)</i>	ALTERNATIVE DATE: Wed 18 Nov 2015	1300		
			<i>Camberwell Community Council (tbc)</i>	ALTERNATIVE DATE: Wed 18 Nov 2015	1300		
	Sun	22					
	Mon	23	Scrutiny Sub-Committee 1		1900		
	Tue	24	Scrutiny Sub-Committee 2		1900		
	Wed	25	Council Assembly		1900		
	Thur	26					
	Fri	27					
	Sat	28					
	Sun	29					
	Mon	30	Overview & Scrutiny Committee		1900		
Dec-15	Tue	1	Planning Committee		1900		
	Wed	2	<i>Bermondsey and Rotherhithe Community Council (tbc)</i>	ALTERNATIVE DATE: Sat 5 Dec 2015	1900		
			Dulwich Community Council		1900		
	Thur	3					
	Fri	4					
	Sat	5	<i>Bermondsey and Rotherhithe Community Council (tbc)</i>	ALTERNATIVE DATE: Wed 2 Dec 2015	1300		
	Sun	6					
	Mon	7			1900		
			Scrutiny Sub-Committee 3		1900		
	Tue	8	Cabinet		1600		
			Planning Sub-Committee B		1900		
	Wed	9	Community Councils Chairs and Vice Chairs		1900		
	Thur	10					
	Fri	11					
	Sat	12					
	Sun	13					
	Mon	14					
	Tue	15	Planning Committee		1900		
	Wed	16					
	Thur	17					
	Fri	18					
	Sat	19		SCHOOL HOLIDAYS			
	Sun	20					
	Mon	21					
	Tue	22	Planning Sub-Committee A				
	Wed	23					
	Thur	24		CHRISTMAS EVE			
	Fri	25		CHRISTMAS DAY (BANK HOLIDAY)			
	Sat	26					
	Sun	27					
	Mon	28		BOXING DAY (BANK HOLIDAY)			
	Tue	29					
	Wed	30					

DRAFT COUNCIL CALENDAR 2015/16							
	Thur	31					
Jan-16	Fri	1		NEW YEAR'S DAY (BANK HOLIDAY)			
	Sat	2					
	Sun	3					
	Mon	4					
	Tue	5					
	Wed	6					
	Thur	7					
	Fri	8					
	Sat	9					
	Sun	10					
	Mon	11	Group Meetings			1900	
	Tue	12	Planning Committee			1900	
			Constitutional Steering Panel			1800	
	Wed	13	Overview and Scrutiny Committee			1900	
						1900	
	Thur	14					
	Fri	15					
	Sat	16					
	Sun	17					
	Mon	18	Scrutiny Sub-Committee 1			1900	
	Tue	19	Planning Sub-Committee B			1900	
	Wed	20	Council Assembly			1900	
	Thur	21					
	Fri	22					
	Sat	23	<i>Bermondsey and Rotherhithe Community Council (tbc)</i>	<i>ALTERNATIVE DATE: Wed 27 Jan 2016</i>		1300	
	Sun	24					
	Mon	25	Scrutiny Sub-Committee 2			1900	
	Tue	26	Cabinet			1600	
			Scrutiny Sub-Committee 3			1900	
	Wed	27	<i>Bermondsey and Rotherhithe Community Council (tbc)</i>	<i>ALTERNATIVE DATE: Sat 23 Jan 2016</i>		1900	
			<i>Dulwich Community Council</i>			1900	
	Thur	28					
	Fri	29					
	Sat	30	<i>Borough, Bankside and Walworth Community Council (tbc)</i>	<i>ALTERNATIVE DATE: Wed 3 Feb 2016</i>		1300	
			<i>Camberwell Community Council (tbc)</i>	<i>ALTERNATIVE DATE: Wed 3 Feb 2016</i>		1300	
	Sun	31					
Feb-16	Mon	1	Overview & Scrutiny Committee			1900	
	Tue	2	Planning Committee			1900	
	Wed	3	<i>Borough, Bankside and Walworth Community Council (tbc)</i>	<i>ALTERNATIVE DATE: Sat 30 Jan 2016</i>		1900	
			<i>Camberwell Community Council (tbc)</i>	<i>ALTERNATIVE DATE: Sat 30 Jan 2016</i>		1900	
	Thur	4					
	Fri	5					
	Sat	6	<i>Peckham and Nunhead Community Council (tbc)</i>	<i>ALTERNATIVE DATE: Wed 10 Feb 2016</i>		1300	
	Sun	7					

DRAFT COUNCIL CALENDAR 2015/16						
	Mon	8	Group Meetings			1900
	Tue	9	Cabinet			1600
			Planning Sub-Committee A			1900
	Wed	10	Constitutional Steering Panel			1800
			<i>Peckham and Nunhead Community Council (tbc)</i>	ALTERNATIVE DATE: Sat 6 Feb 2016		1900
	Thur	11				
	Fri	12				
	Sat	13				
	Sun	14				
	Mon	15	Group Meetings (Alternate date)			1900
	Tue	16				
	Wed	17				
	Thur	18				
	Fri	19				
	Sat	20				
	Sun	21				
	Mon	22	Audit & Governance Committee			1900
			Scrutiny Sub-Committee 1			1900
	Tue	23	Corporate Parenting Committee			1400
			Scrutiny Sub-Committee 2			1900
	Wed	24	Council Assembly (Budget Setting)			1900
	Thur	25				
	Fri	26				
	Sat	27				
	Sun	28				
	Mon	29	Community Councils Chairs and Vice-chairs			1900
Mar-16	Tue	1	Planning Committee			1900
	Wed	2	Constitutional Steering Panel			1800
			Scrutiny Sub-Committee 3			1900
	Thur	3				
	Fri	4				
	Sat	5				
	Sun	6				
	Mon	7	Overview & Scrutiny Committee			1900
	Tue	8	Planning Sub-Committee B			1900
			Standards Committee			1900
	Wed	9	Licensing Committee			1900
	Thur	10				
	Fri	11				
	Sat	12				
	Sun	13				
	Mon	14	Group Meetings			1900
	Tue	15	Cabinet			1600
			Bermondsey and Rotherhithe Community Council			1900

DRAFT COUNCIL CALENDAR 2015/16							
	Wed	16	Dulwich Community Council				1900
			Borough, Bankside and Walworth Community Council				1900
	Thur	17					
	Fri	18					
	Sat	19					
	Sun	20					
	Mon	21	Peckham and Nunhead Community Council				1900
			Camberwell Community Council				1900
	Tue	22	Planning Committee				1900
	Wed	23	Council Assembly (Ordinary Meeting)				1900
	Thur	24					
	Fri	25	Bank Holiday	GOOD FRIDAY			
	Sat	26					
	Sun	27		EASTER SUNDAY			
	Mon	28	Bank Holiday	EASTER MONDAY			
	Tue	29		SCHOOL HOLIDAYS			
	Wed	30					
	Thur	31					
Apr-16	Fri	1					
	Sat	2					
	Sun	3					
	Mon	4	Overview and Scrutiny Committee				
	Tue	5	Planning Sub-Committee A				
	Wed	6					
	Thur	7					
	Fri	8					
	Sat	9					
	Sun	10					
	Mon	11					
	Tue	12	Cabinet				1600
			Planning Committee				1900
	Wed	13					
	Thur	14					
	Fri	15					
	Sat	16					
	Sun	17					
	Mon	18					
	Tue	19					

DRAFT COUNCIL CALENDAR 2015/16							
	Wed	20					
	Thur	21					
	Fri	22					
	Sat	23					
	Sun	24					
	Mon	25					
	Tue	26	Planning Sub-Committee B			1900	
	Wed	27					
	Thur	28					
	Fri	29					
	Sat	30					
May-16	Sun	1					
	Mon	2	Bank Holiday				
	Tue	3					
	Wed	4					
	Thur	5	GLA MAYORAL ELECTIONS				
	Fri	6					
	Sat	7					
	Sun	8					
	Mon	9					
	Tue	10	Planning Sub-Committee A			1900	
	Wed	11					
	Thur	12					
	Fri	13					
	Sat	14					
	Sun	15					
	Mon	16	Group meeting			1900	
	Tue	17	Planning Committee			1900	
	Wed	18					

DRAFT COUNCIL CALENDAR 2015/16							
	Thur	19					
	Fri	20					
	Sat	21	Council Assembly (Annual Meeting held jointly with Civic Awards)	* - Note: This is the preferred date, subject to venue availability and civic diary ; alternative date: Saturday 14 May 2016.			
	Sun	22					
	Mon	23					
	Tue	24	Cabinet		1600		
	Wed	25	Overview & Scrutiny Committee	* - Note: To establish any sub-committees and appoint chairs and vice-chairs	1900		
			Planning Committee	* - Note: To establish any sub-committees and appoint chairs and vice-chairs	1900		
	Thur	26					
	Fri	27					
	Sat	28					
	Sun	29					
	Mon	30	Bank Holiday				
	Tue	31					

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**COUNCIL ASSEMBLY AGENDA DISTRIBUTION LIST (OPEN) (FULL LIST)
MUNICIPAL YEAR 2014/15**

NOTE: Original held by Constitutional Team; all amendments/queries to
Lesley John Tel: 020 7525 7228

ONE COPY TO ALL UNLESS OTHERWISE STATED	Copies	To	Copies
All Councillors	1 each	Officers	3
Group Offices	2	Doreen Forrester-Brown	1
Aine Gallagher, Labour Group Office	1	Wendy Foreman	1
Niko Baar, Liberal Democrat Group Office	1	Ian Millichap	1
Press	2	Constitutional Team	25
Southwark News	1	(Copies to Lesley John, 2 nd Floor, Hub	
South London Press	1	4, Tooley Street)	
Corporate Management Team	5	Local M.P.	1
Eleanor Kelly	1	Simon Hughes M.P.	1
Deborah Collins	1	Others	1
David Quirke-Thornton	1	Elizabeth Olive, Audit Commission,	1
Duncan Whitfield	1	Ground Floor, Tooley Street	
Gerri Scott	1		
		Total:	102
		Last updated: March 2015	